reason

Free Minds and Free Markets / September 1981 / $2.00

The Birth of Rights
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NUCLEAR WASTE
Can We Contain It?

- ▶ Interview with Regulation Reformer Murray Weidenbaum
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reason

Free Minds and Free Markets

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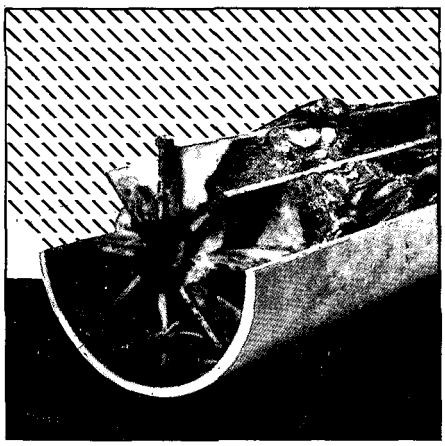

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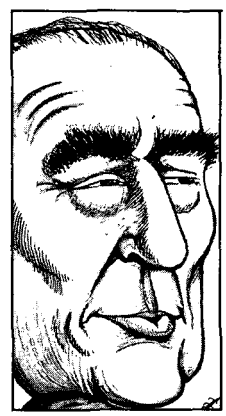

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Paul Strassels takes you every step of the way through this nightmare — and shows you why it really isn't the end of the world. First you see why the IRS happened to pick your return. You meet Murphy the Classifier, and discover the seven questions he asked himself about your return before he decided to finger you.

Next comes your heavy date with Harry the Auditor. But first, the author sits you down with Marvin for a line-by-line check of your return: what you'll get away with. . . what they'll nail you on. . . above all, how you and Marvin must handle the situation.

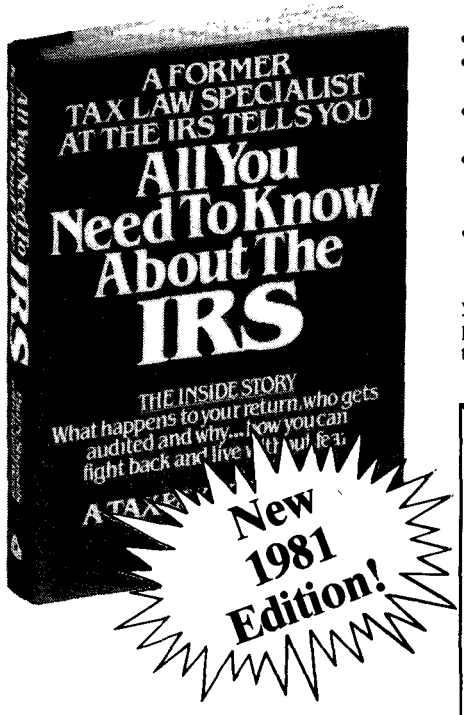
Now you're ready for Harry. You discover how he reads your return — and how he reads *you*. You learn the tricks he uses to trap you. You get 23 rules about how you should behave at the audit.

Paul Strassels can't make this a "fun" experience for you. But at least he makes it bearable. Better — he shows you how to cut your chances of ever having to go through it.

If you're looking for another one of those tax manuals, *don't* buy this book. But if you want to know exactly how the tax collector is thinking, here's a hint of what this former tax man reveals:

- 24 safe deductions.
- Extra income: how much chance is there that Harry will discover it? How about interest and dividends?
- How the IRS computer can tell, almost always, whether you're cheating, and by how much.
- The audit risk in your tax bracket.
- Why your tax preparer could be costing you thousands of extra tax dollars.
- The biggest cheaters, by income category. (Yes, the IRS knows this too.)
- Never mind what the law says — how much time must pass before you can feel pretty safe from a tax audit for a particular year?
- The 18 Danger Zones that can give you trouble on your return. How to handle each one.

Make no mistake, the feds are at war — with you. If you're prudent, you'll seize this chance to penetrate enemy headquarters. If you know how they plan to deal with you, it can only help.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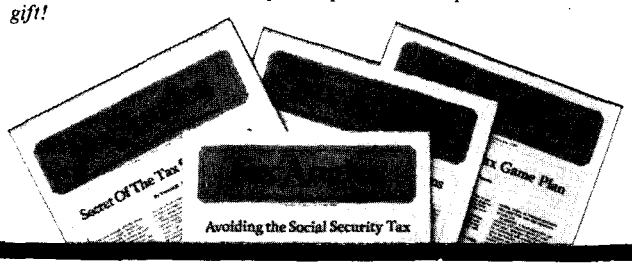

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editor's notes

REASON's ranks have grown again. With this issue, Matthew Burbott takes over as art director, replacing Nanette Boyer. Matt comes to us from *New West*, where he started out doing paste-up work and advanced to assistant art director. In addition to handling the design and layout of each month's issue of REASON, he will be meeting the Foundation's many other needs for graphic materials, which all adds up to a well-filled full-time position. I wish Nanette the best of luck as she turns her attention full-time to her advertising agency partnership. And I welcome Matt aboard and invite all of you readers to enjoy his mark upon the magazine.

We've had some interesting visitors at the Reason Foundation in recent weeks. Over Memorial Day weekend we held a Liberty Fund colloquium on the justification for a system of private property rights. Among our notable guests that weekend were philosopher Robert Nozick and economists Israel Kirzner and David Friedman. Interestingly, there turned out to be about as many thoughts about ways to justify property rights as there were participants!

In June we were visited by a political scientist from Krakow, Poland...that's right, Poland. Dr. Rett R. Ludwikowski was on a cross-country tour meeting libertarian and conservative thinkers. Our resident scholar Tibor Machan spent a fascinating two hours with Dr. Ludwikowski, learning that there is great interest in free-market ideas among Polish intellectuals. Indeed, he told of supervising a doctoral dissertation last year dealing almost exclusively with American libertarian thinkers—Ayn Rand, Murray Rothbard, John Hospers, etc. It's encouraging to learn that such ideas have indeed penetrated into Eastern Europe.

REASON's exposé of the truth about Love Canal (Feb.) has been placed in the *Congressional Record* by Sen. Jesse Helms (R-N.C.), who commented that "the public is entitled to complete objectivity in reviewing the facts of Love Canal." Many of you have written to congratulate us on the *ABC Nightline* program about this article, which finally aired late in May. Meanwhile, a point not addressed in the article—the actual harm caused by the leaking chemicals—has received new attention. A study by seven researchers from the New York State Department of Health investigated cancer incidence in the Love Canal area from 1955 to 1977 compared with that in the rest of New York state. The result? No significant differences. See *Science*, June 19, p. 1404.

International understanding of the free market should be increasing. The US International Communications Agency is reprinting William Middendorf's "A Walk on the Supply Side" from our July issue for distribution overseas, both in English and in translation. And our friend Albert Zlabinger of Jacksonville University reports that the International Karl Menger Library series (of which he is coeditor), will have 10 German-language books in print by the end of the year, including two by Ludwig von Mises, four by F. A. Hayek, and Thomas Sowell's *Knowledge and Decisions*. Their PRO/Kontra series expects to have seven other free market/libertarian volumes out in German soon, including works by Petr Beckmann, David Friedman, and George Riesman.

Joe Cobb's article this month (p. 34) on an alternative gold standard has deep roots. The idea that sound money based on gold could be established without government fixing the price of gold appeared in these pages in July 1973—by none other than Joe Cobb, the author of the present article.

What are poor women going to do if those who oppose abortion succeed in cutting off all taxpayer funding for the procedure? Some 350,000 Medicaid-eligible women faced that dilemma last year, due to a 1980 Supreme Court ruling upholding the Hyde Amendment. Instead of simply lobbying about it, a group of supporters of the right to abortion have organized the Abortion Fund (1801 K Street, NW, Washington, DC 20006). It started up June 1 and hopes to be operational nationwide by November. The idea is to raise money that will be used to replace Medicaid funding. Women aided by the fund will be asked to pay $25 of the abortion's cost, and the clinic will be asked to donate 20 percent, with the fund paying the balance.

—R. P.

The Eighth Libertarian Scholars Conference

Directed by the Center for Libertarian Studies

October 30, 31 & November 1, 1981

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FRIDAY, October 30	Registration	3:00- 5:00
	Reception	5:30- 7:00
	Dinner	7:00- 9:00
PANEL I—Religion and American Politics		9:00-11:00
	Hospitality Suite	10:00-11:30
SATURDAY, October 31	Breakfast	8:00- 9:15
PANEL II—The Reagan Administration's Policies: A Critique		9:30-11:30
	Lunch	12:00- 1:30
PANEL III—Law and Economics		2:00- 4:00
	Reception	5:30- 6:30
	Banquet	6:30- 8:00
PANEL IV—The Libertarian Movement and Scholarship		8:00-10:00
	Hospitality Suite	10:00-11:30
SUNDAY, November 1	Breakfast	8:00- 9:15
PANEL V—Education and the State		9:30-12:30

"What we need is nothing else than to substitute better ideas for bad ideas. This I hope and am confident,will be done by the rising generation."

Ludwig von Mises

Hotel accommodations for out-of-town attendees have been reserved at the New York Sheraton Hotel, Seventh Avenue and 56th Street. The complete conference package which includes all meals, hotel accommodations for two nights and conference sessions is available for $200. The same package without hotel accommodations is $140. Registration begins at 3:00 p.m. on Friday, October 30.

For more information, contact Richard Seiden, Executive Director or Dyanne Petersen, Conference Coordinator, at:

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Reason on Abortion

editorial

WHEN, IN THE COURSE OF HUMAN DEVELOPMENT, is there a *human being*? No less an authority than *Time* magazine has declared it an "unresolvable question." And *Science* recently concluded an article with the lament that the abortion issue "is being debated as though it were rational." To which one can only reply: It had *better* be debated on rational grounds, no matter how deeply our feelings run. Otherwise the issue will be with us for a long, long time to come.

Prochoice advocates play right into the hands of antiabortionists when they deny that it is possible for thoughtful people to make a determination concerning the issue at hand. It's not enough to say, "We disagree about whether the fetus is a human being; therefore, it must be left to individuals to decide." Antiabortionists *do* offer an answer to the question. If they are right, it doesn't matter, from the standpoint of justice, that some people have not assented to the truth. The criminal who admits no wrong in murdering is nevertheless bound over to the law. It doesn't even matter if *most* people have not seen the light; that's why the slaves should have been freed in spite of the wishes of the majority in southern states.

On abortion, as in any other case, skepticism cannot prove anything. To deny knowledge is to leave the answering to those who are willing to take the plunge.

On the other hand, antiabortionists play right into the hands of their opponents when they appeal to religious doctrine. Then, one of the frequent prochoice refrains *does* become relevant—that the American political system is at its heart pluralistic, that the Founding Fathers explicitly provided for keeping government out of the business of enforcing religious values. If religious teaching is all that can be brought to bear on the question of when existence as a human being begins, then in our political system the fact that people disagree is indeed forceful. Abortion cannot legitimately be brought into the legal/political arena on the shoulders of religious doctrine.

We won't resolve the abortion controversy in this country until there is a meeting of minds on how it is to be resolved. The fundamental issue at hand—at what point in human development there exists a human being—must be acknowledged, not dismissed. And the mode of inquiry accessible to all men and women—reasoned consideration of the issues and the facts—must be applied to the question. This is not an easy task, and it is bound to be made more difficult by certain features of the current debate and trends in our society.

One is the tendency of prochoice advocates to characterize the abortion issue solely as a matter of women's rights. I have read discussions, often by other women, in which antiabortionists are portrayed as people who just want to control women's lives. Their genuine concern for what they believe is, after all, another *individual human being* is never mentioned.

Antiabortionists, in turn, often do present the issue as part of a package of concerns: the decline of the traditional family, liberalized attitudes toward sexuality, homosexuality, and so on. To the extent that abortion is of a piece with these other issues, the cries of prochoice advocates about regulating private conduct are right on target. If antiabortionists are to be taken seriously when they claim that abortion involves the taking of human life, they need to acknowledge that it is fundamentally different from the other parts of their package. And they will have to be willing to meet their opponents on the neutral territory of rational deliberation.

Beyond the particulars of the abortion debate, certainly the trend toward politicizing more and more areas of our lives works against a sound resolution. Is such a fundamental question really to be settled in the familiar fashion of congressional vote trading? That's what antiabortionists are embracing with the Helms-Hyde bill, which would tie the definition of human life to a mere act of Congress.

As of 1980, polls indicate that only 10 percent of the population supports the strict ban on abortion that would be imposed by the current legislative attempt (abortion would be allowable only if the woman's life is endangered). But suppose it were demonstrable that the fetus *is* a human being from the moment of conception. Should the inclinations of the majority nevertheless prevail?

It's ironic to find staunch antiabortionist and conservative William F. Buckley jumping on the vote-getting bandwagon. Writing in *National Review* recently, he noted that the Supreme Court, in its 1973 abortion decision, had declined to comment on when human life begins because physicians, scientists, and theologians disagree. Countered Buckley: "People disagree about how high taxes ought to be, whether a dam should be built here or there, whether we should declare war. The question, in short, is political." So the definition of life is comparable to the placement of a dam!—and subject to the same political log rolling as practically every other matter in our age.

It is unfortunate indeed that the Supreme Court has so far not seen fit to tackle the basic issue. By arguing from disagreement, it has fueled the fires of skepticism and pushed the issue toward a majoritarian resolution. Yet whatever action Congress takes, it is bound to return to the Court.

The plain fact is that this *is* a vital issue. Does killing a human fetus amount to murder? Either the question must be addressed by the highest court in our land, or it should be put through the excruciating test of the constitutional amendment process. In short, it must be subjected to the most rigorous rational scrutiny available in our legal system.

Meanwhile, citizens themselves would do well to put aside invective and emotionalism and give careful consideration to all thoughtful treatments of the issue. It is in this spirit that we present Roger Bissell's article in this issue. Mr. Bissell is not a physician, scientist, or theologian. He is an ordinary citizen who has taken the time to think through and research the abortion issue. Finding his arguments plausible and his facts intriguing, we offer his article as a contribution to the sorely needed reasoned debate.

Manny Klein

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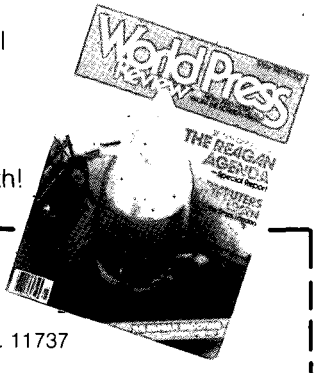

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letters

The Party's Over

To follow up on my article in May ("Socialism . . . On the Street Where You Live") and on your Trends note (July) on the recent elections in Berkeley, the interesting question is, Why *did* the left lose in Berkeley?

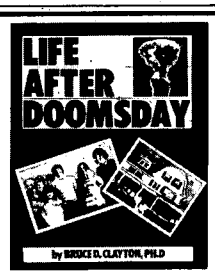
The trouble with liberals is they can't resist a leftward fling toward socialism every few years. It makes them feel good. Unfortunately for them, someone comes along and tries to redistribute *their* Mercedes or *their* stock portfolio, whereupon they suddenly discover a compelling need for "balance" between social justice and private property.

The last time Berkeley went through this cycle, a slate of radicals was elected to the city council. True to form, the radicals behaved as Berkeley radicals have always behaved—that is, they were contentious, disruptive, alternately moralistic and ruthlessly opportunistic, and in the final analysis ineffective. The result was that in last spring's city council elections they lost all four contested seats—and, with them, control of the city government—to the "moderate" slate (actually what the rest of the country would consider liberal Democrats).

The reason is that in Berkeley if you're not a revolutionary socialist, the left considers you an implacable enemy. Left paranoia ran rampant in the '60s, and it's still rampant now. Once they won control of city government, they trusted no one but their own people. They held secret city council meetings in violation of the Brown Act. They didn't allow debate on important issues (they didn't have to, they had the votes). They appointed their supporters to city positions and created new jobs for them when there weren't enough to go around. In short, they ran Berkeley like Mayor Daley ran Chicago, which is to say, corruptly and self-servingly.

Now that the moderates are back in control, they've fired the radicals' city manager (by buying up his contract), and they've declared a moratorium on 140 lawsuits instituted by the rent board against landlords and cut $50,000 from the rent board budget. Not that all this means that rent control is on its way out in Berkeley. As liberal democrats, the moderate majority favors rent control too. Only this time, it will be a slightly more reasonable form of rent control (that is, they won't be putting landlords in jail).

Paul Ciotti
Los Angeles, CA



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The Russians Aren't Coming?

Robert Poole's editorial "Facing Reality in Latin America" (May) contains some truly bizarre interpretations of recent events in El Salvador, and I would like to challenge them. The central assumption behind Poole's interpretation is that of Soviet involvement in Latin America. He refers to "Soviet/Cuban aid," "the Soviets and their Cuban proxies," "Soviet penetration of this hemisphere," and the Soviets' "orchestration of the massive transfer of arms from Communist countries to Cuba and Nicaragua for shipment to Salvadorean guerrillas."

What's the evidence for this? Reading between the lines, it seems as though Poole has simply bought the State Department line on El Salvador, swallowing Haig's charges hook, line, and sinker. But the problem is that Poole hasn't even bothered to look at the alleged evidence for Soviet involvement which Haig so triumphantly released to the media. The documents on which Haig based his charges were allegedly found in a desk drawer in a guerrilla hide-out in San Salvador, passed along to Carter administration officials, and then dutifully transferred to Haig. They were released by the State Department as a veritable white paper, under the title "Communist Interference in El Salvador: Documents Demonstrating Communist Support of the Salvadoran Insurgency," complete with translations.

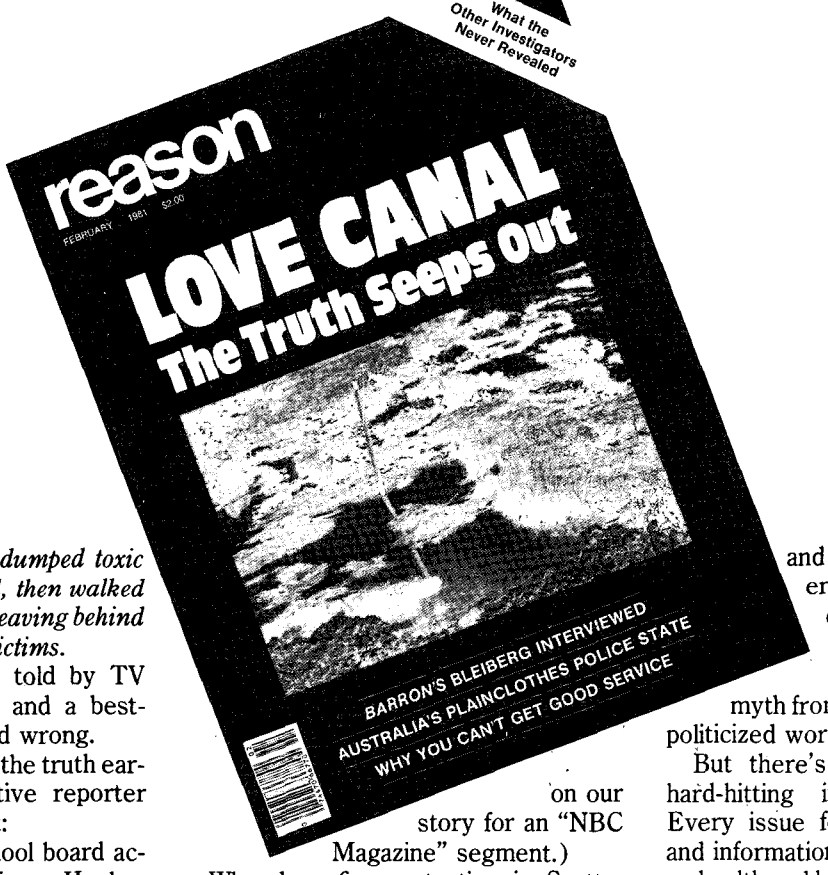
The problem is that the documents do not substantiate Haig's claims about arms shipments or about Soviet involvement, let alone "orchestration." I have read through them, and cannot find any evidence whatever that more than 18 or 20 tons of military equipment was ever shipped to El Salvador. Because of duplications and ambiguities in the documents themselves, other writers have claimed that no more than 10 tons were ever shipped—a truly piddling amount in a guerrilla war. There are promises aplenty—but just as plentiful are the gripings of guerrilla leaders that the promises weren't kept. . . .

The Russians? On page 7 of Document E, there is the first mention of a meeting with communists in Moscow. [Salvadoran Communist Party secretary Shafik] Handal met with the deputy chief of the Latin American Section of the Department of International Relations of the Communist Party, who told him that he had not discussed any of his requests with any of the Soviet leadership, and could not make any promises. . . . The Soviets were ambivalent in their treatment of him, keeping him at arms length, and generally giving him a runaround. . . . The excerpt ends as follows: "The comrade is expressing concern as to the effects that the lack of decision by the Soviets may have, not only regarding the assistance that they themselves can offer but also upon the inclination of the other parties of the European socialist camp to cooperate. . . ."

Castro of course cheered the Salvadoran communists on, but in his typical blowhard fashion. And, as I have said,

(Continued on p. 57.)

To Get the Right Answer, You Have to Ask the Right Question.



A heartless corporation dumped toxic chemicals in Love Canal, then walked away from the problem, leaving behind a neighborhood full of victims.

At least that's the story told by TV news, magazine articles, and a best-selling book. It's also dead wrong.

Reason readers learned the truth earlier this year. Investigative reporter Eric Zuesse revealed that:

- The Niagara Falls school board acquired Love Canal from Hooker Chemical in 1952 under threat of eminent domain;
- The school board disregarded repeated, explicit warnings not to disturb the canal's clay cover;
- The city punched two sewer lines through the canal walls, in 1957 and 1960, allowing chemicals to seep throughout the neighborhood.

Finding this out didn't take Freedom of Information Act requests. The whole story was available in public documents in Niagara Falls. Yet no other national magazine had bothered to look. They all just took it for granted that a giant corporation *had* to be the guilty party.

At *Reason* we ask questions other journalists don't get around to asking. Questions like the following:

- Why has the FDA refused to permit surgeons to use super-glue adhesive in surgery — even when it can save lives? (NBC was impressed — they picked up on our story for an "NBC Magazine" segment.)
- Why does fire protection in Scottsdale, Arizona cost about half what it costs in nearby communities? Could it be because an innovative private company provides the service? (CBS thought so — they devoted a "60 Minutes" episode to our story.)

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brickbats

☐ **When Barry Floyd Braeseke** was recently cleared by the US Supreme Court of the 1976 murders of his mother, father, and grandfather, there was no real surprise to the case. It is true, of course, that Mr. Braeseke, of Dublin, California, had repeatedly confessed to the slayings and even spoke of them in detail in a 1978 episode of the highly rated coast-to-coast television show *60 Minutes*.

One little thing about this verdict, though—it did upset *one* person: the attorney who had represented Mr. Braeseke. James Leonard Crew, "an experienced and respected defense lawyer in Alameda County," wrote a fiery note to the High Court: "Your recent decision in the case of *People* vs. *Barry Braeseke* was predictable. On the other hand, it is difficult to understand how a system of laws conceived to protect innocent people can become twisted to give freedom to a person who deliberately kills three innocent human beings, thereafter confesses four times to these killings, the last confession being on national television, and with all this somehow finds that freedom awaits him. . . . I [am] a responsible citizen in my community and shudder to think that my family has now been given less protection by our courts. No wonder the citizens in this country refer to attorneys in a disrespectful fashion and to many of our courts with comparable lack of respect."

The defeated prosecutor in the case, Deputy District Attorney Michael Cardoza, who will also have to retry the case now, commented: "When somebody like Jim Crew—who is an excellent and tough defense attorney—criticizes a decision, then you realize just how bad the Braeseke decision was. In effect, he's saying to the court, 'As an attorney, I did what I was supposed to do. But you bought it. Are you crazy?' " Well?

☐ **The civilizing touches** of democracy have graced the backward land of Ghana, and brought its citizens to a much fuller understanding of what the 20th century is really all about. As government representatives scoured the countryside this year to bestow the franchise upon the eager recipients of democratic power, the bestowers found a strange malady afflicting the bestowees. " 'We shan't register'—villagers" read one front-page headline. Many nonvoters were quoted saying that they would prefer a jail sentence (the penalty for not enjoying the democratic privilege) to casting a ballot.

A reporter for the *Los Angeles Times* even found that the election commissioner, Judge Kingsley Nyinah, has received reports of angry villagers chasing voter-registration personnel back to the nation's capital. Nyinah comments: "The people are saying: 'We're fed up to the back teeth with all these promises. We've had enough of all these promises. The politicians go there [to parliament]. They forget about us. They make all the money, while here the roads and the schools are collapsing.' " Another Ghanan declared: "So far, parliament is just a symbol of privileges and fat careers."

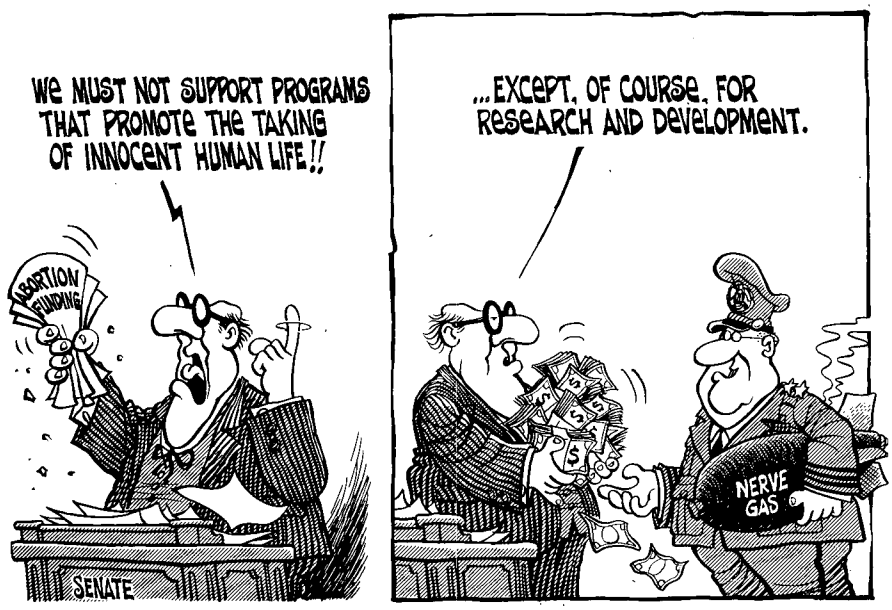
We'll just have to train these uninitiated practitioners of democracy to do it right: let's send them Tip O'Neill (he'll teach 'em all about altruistic public service).

☐ **Or maybe we ought to send** them Mrs. Minnie Boyd, age 72. Minnie is mother to Willie Brown, speaker of the California State Assembly. The powerful Mr. Brown was so ecstatic that his legislature had for the first time in a decade enacted the first state budget *on time* for the constitutional deadline, that he did just what any powerful man would do to celebrate—he picked up the phone and called his mother. After he'd told her the glorious news, she told her boy that she was a little surprised to get a call from him, seeing as how it was not an "important occasion." He disagreed.

Then Minnie Boyd inquired as to who was paying for the long-distance, Sacramento to Dallas, phone call. Speaker Brown told his mom not to worry, because the state was footing the bill. "You'd better be glad I'm not one of your voters," Mrs. Boyd scolded her son. "I think this is an unwise expenditure." And with that, she hung up.

☐ **A new technology** in prisoner control may have been discovered by the nation's wardens, hard-pressed to deal with increasing violence and break-out attempts at the country's leading penitentiaries. Eight would-be escapees from the Metro Jail in Nashville, Tennessee, were skipping toward freedom when they found themselves entangled in the voracious tentacles of the women's cell block. Authorities soon found the felons trapped by the female desperadoes, in various stages of the sexual act. Night Magistrate Bill Norris recalled that the male prisoners were intending to clear the wall to freedom but were "distracted." "I think it's a fair characterization to say that it was an orgy," he said. Police tried to file rape warrants against the lawbreakers, but none of the female inmates would agree to prosecute. All eight escapees were easily captured, however.

—Thomas W. Hazlett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trends

Sell the Forests, Save the Elderly

REASON's two favorite free-market environmentalists are at it again. Not content to rest on their laurels after proposing that federal wilderness lands be given to environmental groups (see "Saving the Wilderness: A Radical Proposal," July), political economists John Baden and Richard Stroup have come up with an even more audacious proposal: sell off the national forests in order to phase out the faltering Social Security system.

Virtually everyone now concedes that Social Security cannot long survive in its present form. Today there are 3.25 workers for every retiree; by 2010 there will be only 2 workers for every retiree. The chain letter simply cannot continue in this manner. Moreover, economists point out that if our national retirement system were based on private pension funds, the money deducted from wages each month would be invested in productive enterprise, rather than simply being transferred from present workers to present retirees.

The conventional solution to the Social Security problem—bailing it out with "general revenues"—solves neither problem. The tax burden on workers in 2010 will still be just as great, whichever pocket the taxes are extracted from. And the economy will still be without a potentially huge pool of investment capital.

By far the preferable solution would be to shift everybody over to an enlarged private-pension system. But the huge drawback to that is the transition period: if today's workers and employees ceased paying into the system via FICA levies against workers' wages and salaries, where would the money come from to pay benefits to those now retired or about to retire, who've been promised Social Security payments?

Well, Baden and Stroup proposed to the Western Forest Economists Meeting, if the feds can't get it from *income*, why not draw on their *assets*? And the feds just happen to be sitting on "hundreds of billions" of dollars worth of assets: the national forest lands. Sold off gradually over a few decades, the 107 million acres of commercial timberland could provide the revenues needed to pay off the Social Security recipients.

Moreover, they argued, there is good reason to believe we'd all be better off with the land in private hands. About two percent of these lands would probably be mined for valuable minerals. Other portions would be opened to hikers and campers—for a fee. And history shows that privately owned timber stands are managed for long-term sustained yields, rather than exploited for quick gain, as tends to happen on leased national forest land.

The solution to today's costliest problem is staring us in the face—if we can just separate the forest from the trees.

Fire Fighting Out of the Regulatory Frying Pan

Arizona, already leading the nation in private enterprise fire protection, has now gone a step further toward the free market. Thanks to both a new state law and a state supreme court ruling, the fire protection business is no longer a franchised, regulated monopoly in that state. Instead, it joins transportation as a competitive, free-market industry.

Fire fighting had been regulated in Arizona since 1970. As public utilities, private fire protection firms were given exclusive territories, and their rates were regulated by the state Corporation Commission. When the commission ruled in 1979 that fire protection firms could no longer provide first-aid, paramedic services to their subscribers, the largest operator, Scottsdale-based Rural-Metro Fire Department, Inc., filed suit to overturn all state regulation of this business.

Last December the state Court of Appeals upheld state regulation, but meanwhile, Rural-Metro had asked the state legislature to deregulate the fire protection industry. A bill doing that was signed into law in April, but then in May the Arizona Supreme Court ruled that regulation of the fire industry had been unconstitutional to begin with.

A side effect of the court ruling was to speed up deregulation of transportation. Although Arizona voters approved such a measure last November, the legislature had voted to delay implementation until mid-1982—basing their authority on the now-overturned Court of Appeals ruling in the Rural-Metro case. Consequently, all trucks, not just fire trucks, have been returned to the free market in Arizona.

Auto Regulations: Counting the Costs

Most people want cars that are safe, get good mileage, and don't pollute the air. A plethora of federal regulations is aimed at achieving these goals. But analysts have begun adding up the costs—and they're disturbed by what they're finding.

Not only is each of these goals costly to achieve by itself, but the means used to achieve each one make the others even more costly to accomplish. According to Brookings Institution economist Lester Lave (*Science*, May 22), the emission-control laws have reduced fuel efficiency by 7.5 percent and have slightly reduced safety by increasing fire hazards (from catalytic converters). Federal fuel-efficiency legislation, complied with principally by reducing the size and weight of cars, will result in about 1,400 additional deaths each year by 1984, due to the lower inherent crashworthiness of small cars. Federal safety requirements, meanwhile, have made the average car about 200 pounds heavier than it otherwise could be, thereby lowering fuel efficiency.

Lave's article provides a summary of the magnitudes of these "secondary" impacts of regulation, which turn out to be about as significant as their primary impacts. For example, comparing the total expected reduction in deaths and injuries with the costs of required safety features, Lave finds that current government required safety features have a direct annual cost of $296,000 to $444,500 per "fatality equivalent" (a composite measure of deaths and injuries) avoided annually. But the secondary cost, in terms of higher fuel bills, is another $247,000 per fatality equivalent.

The increased cost of federal fuel-economy regulations is already starting to show up in death rates and auto insurance premiums. Compact and subcompact cars now account for 38 percent of all passenger cars on the road—but 55 percent of all fatal accidents and 87 percent of all accidents involving injuries. If you're in a subcompact that collides with a large (full-size) car, your risk of fatality is 8.2 times greater than if you'd collided with another subcompact. If your subcompact hits a midsized car, the fatality risk is 6.3 times higher; hitting a compact

ups your risk by only 3.4 times. (These figures were released recently by the National Highway Traffic Safety Administration, the agency which promulgated the fuel-economy standards to begin with.)

Auto insurers are responding to the large increase in the size of claims (resulting mostly from the shift in the mix of car sizes). State Farm, for one, is now giving 15 percent discounts for 23 makes of large cars and charging a 15 percent surcharge for 23 small cars. Because of these changes, the company was one of the few auto insurers to show an operating profit last year.

Davis-Bacon's 50th: Blowing Out the Candles

In Charleston, South Carolina, the going rate for electricians is $8.25 an hour. Electricians working on federally funded projects, however, *must* be paid $11.85 an hour. Why? Because the Davis-Bacon Act says so!

Passed in 1931, Davis-Bacon directed the secretary of labor to set minimum-pay scales at the level of prevailing wages in the area of each taxpayer-funded construction project. Today, "prevailing wages" has come to mean the highest union rate in the area—and that area is often broadly determined. Critics of the act contend that this has added at least $1 billion a year to labor costs on federal projects.

In addition, economist Walter Williams notes that Davis-Bacon "discriminates against the employment of nonunion construction workers," and since 83 percent of minority craftsmen are nonunion, it prevents such workers from competing with whites. Williams notes that this racist result was one of the factors cited *in favor* of the act during congressional floor debate in 1931.

New Labor Department Secretary Raymond Donovan, hampered by Reagan's campaign promise that he would not repeal the act but would merely make administrative changes, has drawn up several proposals:

- In place of the highest prevailing union wage, base pay scales on a weighted average earned by the majority of craftsmen in an area.
- Set narrower geographical boundaries to avoid the "import" of higher urban wages to nearby rural areas.
- Cut down federally mandated paperwork.
- Lower the ratio of skilled workers to unskilled trainees to allow a one-to-one ratio rather than the current one unskilled per three to five skilled workers.

In lieu of these palliative measures, Sen. Don Nickles (R-Okla.), chairman of the Senate Labor Subcommittee, is leading a fight in the Senate to repeal the act outright, while at press time Rep. Charles Rose (D-N.C.) was rounding up sponsors for a House repeal bill. In the last few years, four states have repealed their "little Davis-Bacon" acts covering state-financed construction. But 38 such state laws still remain.

Education: The Bills Are Coming In

The idea that educational services should be put into the marketplace, so that people can choose what they want and pay for what they choose, continues to arouse support—and opposition. Most national attention is focused on the Moynihan-Packwood-Roth tuition tax credit bill. That measure would allow a parent or self-supporting individual to take an income tax *credit* (that is, a dollar-for-dollar reduction in taxes paid) of up to $250 for each student he or she supports in an elementary, secondary, or college-level school. In August 1983 the credit would increase to $500.

A number of liberal groups have formed the National Coalition for Public Education to oppose the tax credit bill. Among them are the National PTA, the League of Women Voters, and the American Civil Liberties Union. The Reagan administration is committed to tuition tax credits but is holding off active support until its tax- and spending-cut programs get through Congress.

Ironically, the response to one aspect of those cuts may be an expansion of market pricing of educational services. The administration has proposed major slashes in Impact Aid—money given to local school districts that enroll children of parents who work in federal buildings or live on military bases or in federal housing projects. Some of the largest recipients of that aid are school districts in the affluent counties surrounding Washington, D.C. The Virginia counties have pushed through a new state law authorizing school districts to charge tuition whenever Impact Aid fails to cover 50 percent of the cost of educating children from federally employed families. Affluent Fairfax County is proposing to charge $3,000 a year if the Impact Aid cuts go through.

Even that outrageous figure pales in comparison with costs in the Boston public school system, now up to $4,000 annually per pupil. This had led Boston University's maverick president, John Silber, to challenge the Boston School Board into letting BU have a go at the city school system. Silber says he can run it for at least $40 million less, since the city's budgeted amount is "three and four times what is spent in many excellent parochial schools." Silber points out that student enrollment had gone down 28 percent between 1970 and 1979, and yet the size of the staff increased 54 percent. "Patronage staffing," Silber says, is Boston's major problem.

A few weeks after Silber's challenge, Boston Finance Commission chairman, Edward F. King, proposed a voucher plan that would allow a basic voucher of $1,500 per child to parents. The voucher could be cashed in at the private, public, parochial, or suburban school of their choice. King notes that the plan would make schools "more competitive and efficient" and says it could save $50 million. The plan must first be approved by the Finance Commission, go through public hearings, and be approved by the city council. Unfortunately, it has already been attacked for catering to "the chosen few" (that is, the rich and upper-middle class).

Into Space, Privately

The private aerospace company headed by Gary Hudson, GCH, Inc. (see Trends, Dec. 1980), and its backers, who have formed a company called Space Services, Inc., announced their first rocket launch from the island of Matagorda off the Texas coast in July. By early 1983, Hudson expects to be able to launch a 2,000-pound satellite into geosynchronous (stationary) orbit 22,000 miles up. NASA's space shuttle is scheduled to begin commercial launches in September 1982.

What Hudson expects to offer is a much cheaper launch service. According to *Time,* Space Services will charge about $15 million to launch payloads to geosynchronous communications orbits; NASA charges about $28 million for the same service—and even that is a subsidized price, according to Sen. William Proxmire (D-Wis.). (Proxmire charged recently that NASA's fee schedule is "phony," and that it should come right out and say that it will be subsidizing commercial users of the shuttle.) Furthermore, Hudson says he can deliver the commercial service with a maximum of $20 million in start-up costs. Financ-

ing so far, through SSI, has come from Houston real estate developer David Hannah, Jr., and a group of Texas backers.

GCH's rocket, called *Percheron* after the French breed of large, fast draft horses, is some 50 feet long and 4 feet in diameter. The reusable payload modules are 12 feet long, and GCH plans to produce 10 modules per month at $100,000 each for use in the flights. The bare-bones budget allows Hudson to increase his staff of 20 to about 100 by the end of the year.

Because GCH and SSI have not loaded their system with as many backup systems as NASA has, NASA officials have expressed concern over the risks. SSI's Hannah says he is carrying $25 million in flight-liability insurance to cover any accidents. Hannah has also written to NASA for an advisory opinion on his clearance to launch, and everything seems to be A-OK. Under the 1967 Outer Space Treaty, the US government is responsible for any launches from this country and must ensure that they are for peaceful purposes. No single US agency, however, has the authority to regulate such launches thus far. Could it be too much to hope that it stays that way?

Limiting Piracy

On January 27, the US Coast Guard seized the freighter *Island Merchant,* arrested the 10 Colombians on board, and seized 40,000 pounds of marijuana discovered on board the ship. Nothing unusual so far, despite the fact that the *Island Merchant* was 400 miles from the United States when it was seized, somewhere between Cuba and Haiti; Coast Guard seizures of ships on the high seas have been going on for years. But this one ended up being challenged.

In mid-June, US District Judge Edward B. Davis dismissed the charges against the Colombians arrested in the case and cast doubts on the Coast Guard's action. "The question here," Judge Davis said, "is whether the United States overreaches the international law of jurisdiction when it tries to prosecute foreign crewmen of a stateless ship stopped on the high seas 400 miles from the United States when there is no allegation...that the controlled substance found on the ship would be distributed in the United States."

While the Justice Department has appealed the case, the Coast Guard says it will continue to seize marijuana-laden ships on the high seas. The Coast Guard claims it has authority to do so under a 1980 law that exempts it from proving that the drugs are bound for the United States.

Survey Indicates Libertarian Trend

What *Time* magazine said, of course, was that its survey showed a "conservative" trend. But a closer examination of the results indicates that most Americans have moved beyond left and right toward a generally antigovernmental attitude. While a majority of the respondents did assent to the statement that "the media reflect a permissive and immoral set of values" (60 percent) and that "we must build up our strength so that we are clearly no. 1" (73 percent), 68 percent of the respondents also agreed that it should be left up to individual women to decide when and if to have an abortion, and 70 percent confirmed that the government is too involved in their lives.

The opinion survey, conducted for *Time* by the research firm of Yankelovich, Skelly and White, Inc., in mid-May, polled 1,221 registered voters nationwide. It reflected an unabashedly optimistic mood, with the number of respondents who believe things are going well in the country up to 51 percent from 26 percent only in January this year. Also on the bright side, 62 percent want government to stop regulating business and protecting the consumer, 47 percent oppose Reagan's decision to send military advisors to El Salvador, 67 percent oppose military and economic aid to anticommunist allies that violate human rights, 64 percent resent the concern given to the welfare recipient "who doesn't want to work," 61 percent favor passage of the ERA, and a majority concluded that party label makes no difference "in political competence."

However, respondents also are willing to have mandatory registration of handguns (60 percent), think that the Supreme Court and Congress have gone too far in suppressing religious and moral values (71 percent), and favor a constitutional amendment allowing prayer in schools (74 percent). And only 32 percent said they favor the administration's three-year tax-cut plan.

While *Time* puzzled over the fact that even those who described themselves as "liberal" agree with "conservative" stands (such as opposing regulation of business), we think the confusion is merely the result of an artificial break-

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down into left and right. (In contrast, see the Trends item "Rethinking the Categories," Mar.) Whatever Americans are deciding to do about their personal lives, a growing number seem to have adopted at least a good part of the libertarian conclusion that people ought to be left free to work things out for themselves.

FCC's Fowler To Foul up Regulation

Recent speeches by the new chairman of the Federal Communications Commission, Mark S. Fowler, lend strong support to his contention that he really *is* for deregulation (in contrast, see Trends, Aug.). In his first public speech, Fowler lamented the "unbearable arrogance... when an agency acts as if it knows all about how individual technologies ought to operate and how they all should be made to fit into one grand regulatory scheme." Fowler says that he aims to "unregulate" cable, broadcasting, and telephone services.

Fowler's declaration that he will deregulate television broadcasting is significant. Until now, the FCC has only moved on radio broadcast deregulation (see Trends, June), acting to remove restrictions on radio programming and formats, to stop the requirement for submitting program logs, and to end the limitation on number of commercials. If Fowler can extend these deregulatory steps to television broadcasting, the "vast wasteland" may become more exciting to watch.

In another first for an FCC chairman, Fowler has laid emphasis on television's First Amendment freedom. "It's time to extend the First Amendment to the electronic media," he said. "No one forces CBS to air 'Sixty Minutes,' and it's consistently one of the top five shows on the air."

The 39-year-old lawyer has been working on Reagan's political campaigns since 1976, and he calls his outlook "Reaganism." "When government can get out of the way, it ought to," he said in summary of his position. Fowler also advocates the repeal of rules barring broadcasters' entry into new technologies such as cable. Truly anticompetitive actions, he believes, should be handled by the agencies that have been set up to deal specifically with those problems.

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Instead of "Crime Pays" —Criminals Pay

The principle of restitution—requiring criminals to reimburse their victims—is receiving some attention lately as the result of a New York state bill and a Justice Department program.

The New York bill, which has been approved by the House and at press time seemed likely to be approved by the Senate, would require every convicted criminal to make a small payment into a general fund for crime victims, *in addition* to any penalties imposed by the court. Payments to the general fund would be $30 for a felony, $20 for a misdemeanor, $15 for a violation, plus a $1 court processing fee. Sponsors of the bill expect such a schedule to raise $5 million for the Crime Victims Compensation Board. Last year, crime victims in New York received $5.7 million in taxpayer funds.

Sponsors of the bill point out that in Ohio, which has had a surcharge on felons and misdemeanants since 1976, about $4.6 million a year is raised, enough to finance all of that state's crime victim program. Some 15 other states have victim-compensation programs, mostly supported by tax funds.

Since 1978 the Justice Department has funded 41 restitution demonstration projects in 26 states plus Puerto Rico and the District of Columbia. According to an investigator for the Institute of Policy Analysis, Peter R. Schneider, who studied the first 17,000 juveniles to be referred to the program, 88 percent could be expected to complete the restitution ordered by the court. Even for juveniles convicted of very serious personal or property crimes, with up to five previous offenses and often from low-income minority families, the completion rate was over 80 percent.

Repayment of net losses under the program ranged from about 94 percent for losses under $250 to 58 percent for losses of over $1,000. Since court-ordered restitution replaces punishment for these juveniles, Schneider also cited the cost savings of prisoner maintenance ($24,000 to $43,000 a year) as compared with restitution ($1,000 per person a year).

How to Get Chicago Out from under Its Buses

Late spring and early summer focused attention on the problem of failing urban transit systems—specifically, the bankruptcy of the Chicago-area Regional Transportation Authority. While conventional politicians could suggest only one solution—figuring out someone else to tax so as to throw more money at the problem—others came up with more fundamental approaches.

Market researcher George Clowes, for example, urged Chicago commuters to face reality: since RTA is, in fact, bankrupt, he wrote in the *Chicago Tribune* (June 4), just "dissolve it and get the taxpayer out of the mass transit business.... At the same time, all legal restrictions on starting or operating transportation services—such as regulation by the Illinois Commerce Commission—should be removed to give free enterprise a chance."

Clowes's proposal—essentially that individual rail and bus systems be run as businesses, paid for by their customers—squares with the thinking of some reputable transportation economists. Charles Lave of the University of California at Irvine, for example, has argued that mass-transit deficits could be cut by business-like (as opposed to politicized) management. Writing in the Spring issue of the *Journal of Contemporary Studies,* Lave suggested three remedies: (1) increase fares and drop low-density routes, leaving these to paratransit operators; (2) change work rules, especially to make much greater use of part-time drivers rather than paying costly overtime; and

(3) stop adding expensive extra capacity at peak hours (the source of the largest part of the transit deficit). Instead, allow competition by jitneys and other paratransit services (see "Alternative Transit," REASON, July 1980) to relieve peak-hour loads.

Jitneys, however, are presently illegal in nearly every city in the United States, including Chicago. Typically, transit agencies lobby fiercely against any suggestion that they be legalized. In Chicago, Jerry Feldman, president of Checker Cab, wants to introduce a fleet of 15-passenger air-conditioned jitney vans, to operate over abandoned bus routes and in parallel with city buses between 9:00 P.M. and 5:00 A.M. Feldman thinks he can make money charging a $1.50 fare, about twice present bus fares but a lot less than taxi fares. The Chicago Transit Authority has ignored the proposal.

Just such a service *has* started up in Indianapolis. The city's Yellow Cab Co. has put a dozen 15-passenger vans in service, operating along major bus routes to take over some of the peak demand, just as Lave suggested. The Jitney Express charges $1.00 for the first 3½ miles—double the bus fare but less than one-third of taxi fares. The Indianapolis transit agency tried to prevent the Jitney Express from being licensed, but to no avail.

Chicago mayor Jane Byrne might just go for the idea, especially if the RTA is not bailed out by the legislature. As commissioner of consumer sales five years ago, she proposed legalizing jitneys. And one of her planning staffers, Cheri Heramb, did her master's thesis two years ago on the potential of jitney operations. Chicago is in a position to show the nation how to get out from under a bloated mass-transit bureaucracy.

Property Rights Breakthrough?

Some land owners have been getting the short end of the stick for a number of years. In the name of high-sounding goals like open space, relief of congestion, and neighborhood preservation, local governments have enacted severe restrictions on the use people can make of their land—restrictions that often slash the land's value. Advocates of private property rights have argued that such regulation amounts to a "taking" of property, in violation of the Fifth Amendment provision that private property "shall not be taken for public use, without just compensation."

Until recently, the odds that courts would accept that argument appeared poor. The California Supreme Court, for example, has held that a property owner may never collect money damages from a local government in such cases; the best one can do is go to court and attempt to get the regulation softened. But several recent cases suggest strongly that the tide is turning.

The stage was set by US Supreme Court rulings in 1978 and 1980 holding that individuals may file civil rights suits for damages against local government agencies. Based on these rulings, property owners in Ohio and Massachusetts have sued and collected damages from local officials who denied them the right to develop their property.

But the most important case was *San Diego Gas & Electric* v. *City of San Diego,* decided March 29. Although the US Supreme Court on that date refused to decide the issue (see Trends, June), analysis of the justices' positions indicates majority support for the property rights position. In the four-member dissent, Justice Brennan argued that the Court should have ruled that the company could collect damages for inverse condemnation. And Justice Rehnquist,

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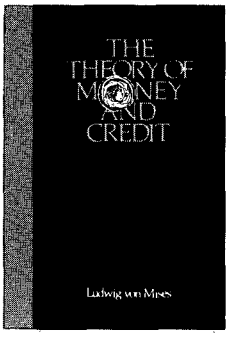

The Theory of Money and Credit

By Ludwig von Mises

In this, his first major work (1912), Ludwig von Mises rejected mechanistic monetary theories employing "velocities of circulation" and "equations of exchange." He based his new theory of money and credit on microeconomic analysis and the application of marginal utility to the supply and demand for money. His new insights led the Austrian School to develop the monetary theory of the trade cycle and to reject the State theory of money. On this view, metallic commodity money and free banking are required to stop recurrent inflation followed by inevitable monetary and economic collapse.

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who voted with the majority view that it was too early to rule in the case, wrote that he tended to agree with the substance of the Brennan dissent.

Thus, the Supreme Court may end up protecting property owners from "overzealous" planners. "After all," wrote Justice Brennan, "if a policeman must know the Constitution, why not a planner?"

Electricity Decontrol

Electric utilities are in trouble. Soaring fuel prices and environmentalist opposition to new plants have substantially increased their costs. Yet public utility commissions (which regulate their rates in exchange for granting monopoly territories) are increasingly reluctant to grant rate increases. As a result, the utilities' financial condition continues to worsen. By 1981 the value of utility stocks had slipped to just 75 percent of the firms' book value—that is, investors considered the firms worth *less* than the value of their plant and equipment! Utility bond ratings have also been declining.

More and more economists and energy analysts are concluding that it is utility regulation itself that is the problem. Last year we reported economist Kenneth Lehn's finding that in states with a high degree of "political liberalism," utility bonds ended up having to pay 15 percent more in interest to attract investors, due to tougher public utility commission regulation (see Trends, July 1980). And energy analyst Roger Sant of the Mellon Institute has for some time been arguing that conventional public utility monopoly/rate regulation is based on the mistaken premise that there can be no competition for central-station electricity production.

Sant has now been joined in this view by the director of Harvard University's Energy Security Project, Alvin L. Alm. In a recent *Washington Post* op-ed piece, Alm argued that our troubled utilities really have only two alternative ways out: either government bail-outs *or* decontrol. And Alm comes down on the side of decontrol. Already, he points out, small power producers and cogenerators have been exempted by federal law from state regulation. "Extending this exemption to all new facilities not only would be a natural progression toward deregulation, but would allow it to be phased in with a minimum of disruption," wrote Alm.

The advantages of exempting new plants from utility commission control would be considerable, according to Alm. Utilities could set up new subsidiaries or contract with outside firms to build the new plants. The bonds to finance construction would be easier to sell, since the plant's output would be free of regulation. And such a climate would be a real test of the ability of new-technology entrepreneurs to bring to market cost-effective alternative energy sources.

Policymakers are beginning to pick up on the idea of utility deregulation. The heads of both the California and New York utility commissions have endorsed decontrol of new plants; former New York commission head Chuck Zielinski supports decontrol of existing plants, as well. And in a recent *Wall Street Journal* interview, the head of the Justice Department's Antitrust Division, William Baxter, said he, too, is interested in exploring deregulation of electricity generation.

Milestones

• *TMI Bailout Opposed.* The Reagan administration has declared its opposition to a direct federal bailout of the Three Mile Island nuclear plant. While General Public Utilities Corp., the plant's owner, has $300 million in insurance, it needs a total of about $1.3 billion to clean up the facility. Budget chief David Stockman says the federal government may only help through sound cleanup regulations, nuclear waste disposal on a reimbursable basis, and general research. The administration has, in fact, proposed to spend $75 million to study the TMI accident.

• *Indexing Gains.* Sen. William Armstrong (R-Colo.) plans to insert a provision in the Reagan tax-cut bill that will tie personal income and capital-gains taxes to an inflation index. A House version of the proposal has over 200 cosponsors.

• *Handicapped Access Rules.* On May 26 the US Court of Appeals in the District of Columbia ruled that the Department of Transportation had exceeded its authority in requiring transit-system operators to spend billions to provide access for the handicapped and remanded the regulations back to the department. The Reagan administration hopes to revoke the unpopular regulations; Transportation Secretary Drew Lewis has sent legislation to Congress that would leave such matters to local communities. Despite their support of the moves to throw out the regulations, some transit agencies are complaining about the expensive orders they have already placed for specially equipped buses, while manufacturers are resentful over the time and money that they have spent attempting to meet requirements that may soon be moot.

• *An Important Distinction.* The true test of one's commitment to individual freedom, wrote economist Walter Williams in a recent column for Heritage Features Syndicate, "is when you allow others to voluntarily do those things which you don't like." Williams made the important distinction between voluntary and involuntary exchanges in the column, entitled "Defending the Right to Be Wrong," noting that his position that such so-called social vices as gambling and prostitution should not be prohibited does not mean that he advocates them. The crux of the matter, Williams argued admirably, is that "in a just society personal harm is not a sufficient condition for prohibition."

• *IRS Eyes Barter.* The Internal Revenue Service has issued a summons for all records pertaining to the members of the Pittsburgh Trade Exchange, a four-year-old organization that acts as a broker for trades. The Exchange contends that the IRS mistakenly included the barter group in its crackdown on the underground economy. The IRS may require such organized barter groups to file an annual barter reporting form.

• *No More Legal Gravy Train.* The market for lawyers in Washington is "no longer the growth industry it was," a lawyer from a firm that represents companies before federal regulatory agencies told the *New York Times.* With the new aura of deregulation, some law firms have cut down on hiring and staff, while others have shifted their focus from energy, antitrust, and product and job safety areas to different fields.

• *On Serving Drunks.* While a Massachusetts Appeals Court ruled that a bar is liable for injuries attributable to the drunkenness of a customer it had served, the California Supreme Court has ruled that only the imbiber of alcohol, and not those providing it, can be held legally responsible for any resulting injuries or damages.

• *Spain Allows Divorce.* The Spanish Parliament passed a law allowing divorce for the first time in over 40 years (divorce was legal for two years in the '30s). The grounds for divorce under the new law are adultery and separation for over a year.

—Robert Poole, Jr. and Christine Dorffi

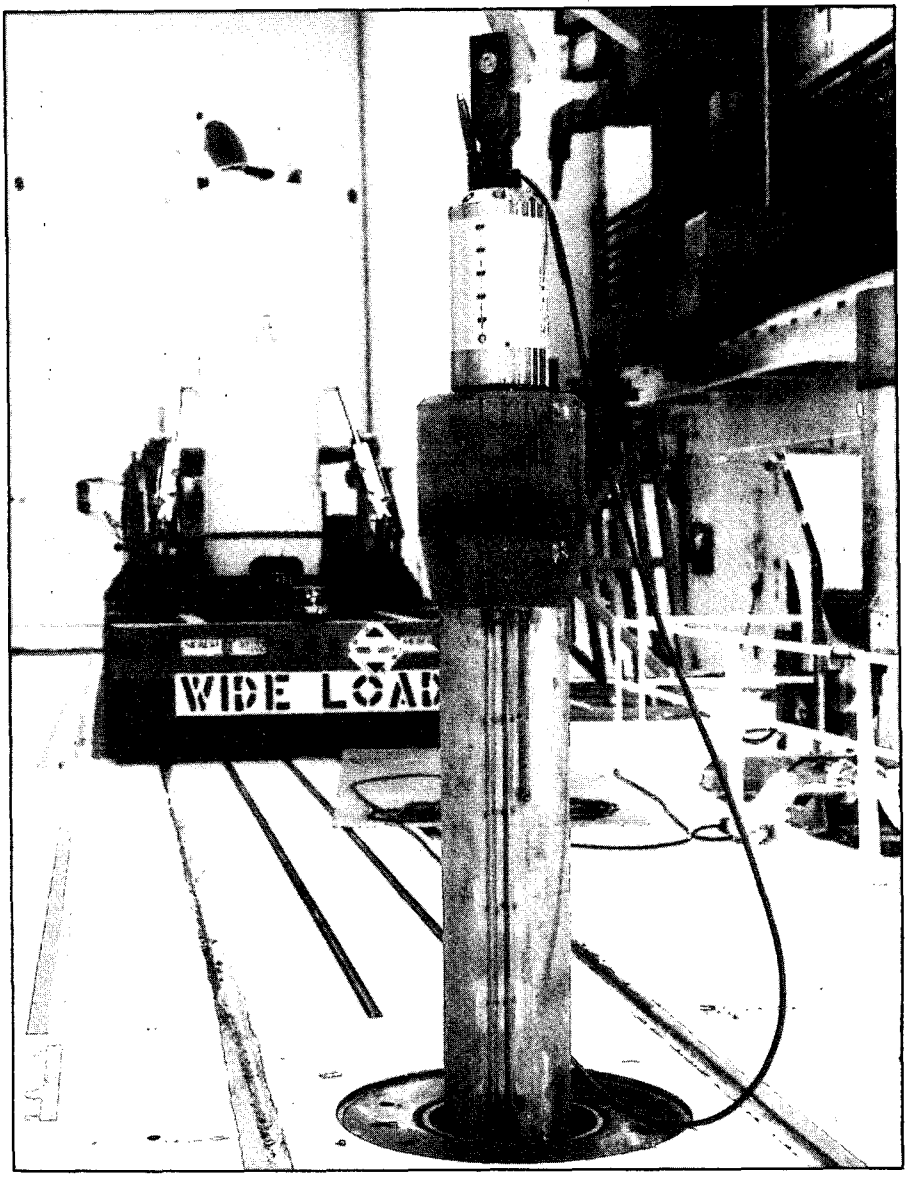
BY PETR BECKMANN

CONTAINING NUCLEAR WASTE

SAFE DISPOSAL OF RADIOACTIVE WASTE IS OFTEN CALLED THE ACHILLES' HEEL OF NUCLEAR POWER. HOW FAR ALONG ARE WE ON THE ROAD TO SOLVING THIS PROBLEM?

It may be hard to believe given the current state of public disinformation about nuclear power, but the vast superiority of waste disposal is one of the salient advantages of generating electricity from nuclear energy. If that sounds crazy, consider the following five well-kept secrets:

- It is utterly untrue that no method of disposing of radioactive waste from nuclear power plants is known.
- It is utterly untrue that nuclear wastes must be guarded for thousands of years.
- The real issue is *not* whether nuclear wastes pose hazards but whether their disposal offers a significant advantage in safety, public health, and environmental impact when compared to the disposition of wastes from fossil-fired plants (let alone industrial wastes in general).
- Much of the result of such a comparison is attributable to two simple statistics: for the same power output, nuclear wastes are some *3.5 million times smaller* in volume; and in duration of their toxicity, the advantage ranges from a few percent to infinity.
- Nuclear power does not add any radioactivity to the earth; on the contrary, it reduces the radioactivity that Mother Nature would otherwise be producing.



A TRANSPORT VEHICLE (BACKGROUND) WAITS IN HOT BAY OF ENCAPSULATION CHAMBER TO RECEIVE SPENT FUEL CANISTER (FOREGROUND) AT A WESTINGHOUSE TEST FACILITY IN NEVADA.

THE BIG WASTE PICTURE

The Environmental Protection Agency estimates that some 385 million tons of industrial wastes, 10-15 percent of them hazardous, were produced in the United States in 1980. Until recently, it was standard practice to dispose of such wastes by dumping them in unlined surface ponds, unsecured landfills, sewers, or deepwells; by burning them in uncontrolled incinerators; or

Photographs courtesy of Department of Energy

by spreading them on roads. Some was and is disposed of—ask not how—by gypsy haulers and moonlight dumpers.

When strict federal regulations—requiring containment and monitoring of hazardous wastes—went into effect earlier this year, the EPA estimated that only 10 percent of existing disposal sites would meet the new standards. Some of the other 90 percent would never make the grade; the rest would require an interim period of some years to come up to par.

The volume of toxic wastes generated in a single year is more than 70,000 times larger than the volume of nuclear wastes accumulated by nuclear power plants since the beginning of the nuclear era 24 years ago. Their toxicity is retained for centuries in the case of the more stable chemical compounds such as polychlorinated biphenyls (PCBs). Elemental toxins such as cadmium, beryllium, or arsenic remain toxic forever—unless, of course, they are luckily radioactive, so that they will disintegrate by radiation. Otherwise they will be around long after the last atom of radioactive potassium 40 in Ralph Nader's blood (halflife 1.2 billion years) has decayed.

The point of all this is not to say that waste disposal is a mess anyway, so it doesn't matter if we make the situation a little worse with nuclear wastes. This is simply the context within which any waste disposal problem, nuclear or not, must be considered.

In fact, however, nuclear wastes would not make the situation worse but would eliminate part of the problem. A very significant part of industrial wastes can be traced to the generation of electricity in power plants that burn fossil fuels. These plants, particularly coal-fired ones, produce voluminous, dangerous, and persistent wastes. Replacing them with nuclear power plants would reduce electricity-generation wastes to a miniscule volume, disposable by far safer, cleaner, and healthier methods.

Still, while coal wastes take a shockingly large toll in deaths and diseases, there is one thing worse than coal, and that is no coal. Researchers at the International Institute of Applied Systems Analysis in Laxenburg, Austria, analyzed data from 150 countries for the last 75 years and found that coal saves more lives than it takes. So the purpose of comparing nuclear and coal wastes is not to fight coal but to show the millionfold advantage of nuclear waste disposal over the waste disposal that prevails now.

THERE IS NO SUCH THING AS LARGE-SCALE POWER GENERATION WITHOUT WASTES. EVEN SOLAR POWER IS NOT WITHOUT WASTES.

And what if we were to turn to some other alternative? There is no such thing as large-scale power generation without wastes. The nearest to it is hydropower, but even that produces wastes in the manufacture of its machinery, in the construction of its dams, and in the energy conversions for both. In any case, since most hydropower sites in the United States have already been taken, hydropower does not really offer much of an alternative for large-scale power generation.

Even solar power is not without wastes. In fact, construction of its collectors produces about 1,000 times more wastes than for any other electric power conversion—a direct consequence of its diluteness. According to figures released by the federal government's Solar Energy Research Institute, the construction of a 1,000-megawatt (MW) solar plant would need 1,000 times more materials than would a conventional plant of equal capacity, whether fossil-fired or nuclear: 35,000 tons of aluminum (at an energy cost of 75 million BTUs per ton), 2 million tons of concrete (at 12 million BTUs per ton), 600,000 tons of steel (at 56 million BTUs per ton), 75,000 tons of glass (at 18 million BTUs per ton), etc. If the 1,000 MWs were not produced centrally but were distributed over many small, domestic units, the imbalance would be worse—for the same reason that a large central bakery wastes less flour per loaf than 10,000 housewives who bake one or two loaves each.

Moreover, unlike conventional sources of electricity, solar power is not self-sustaining: it cannot now, or in the foreseeable future, produce the electricity needed to manufacture its own components. In practice, therefore, the wastes involved in producing solar power are merely pushed off to nonsolar generation.

COAL WASTES BY THE TON

All the tons of coal that go *into* America's power plants must come *out* as tons of waste with not a single ounce forgiven. And how much coal goes into America's power plants? Last year it was 566 million tons. Or 1,077 tons a minute. Or about 18 tons since you began reading this paragraph. And that's just the coal going in; the wastes coming out are more than twice that weight: a power plant consumes not only coal but also atmospheric oxygen (and a little nitrogen) to produce its wastes.

Somewhere near you there is a coal-fired power plant, perhaps a big one with 1,000 MWs or greater capacity. The coal comes in by unit train, with cars carrying 100 tons each. Each car is grabbed by a rotary dumper that turns it upside down to empty its load onto transporters and then puts it back onto the rails. It dumps one 100-ton car every two minutes for much of the day shift—twice as fast if the cars have the new couplings that allow the dumper to handle them without uncoupling them from the train.

100 tons a minute! And all those 100 tons must end up in one of two places: a landfill or the atmosphere. There is nowhere else for it to go.

The wastes leave the plant at several places: the stack disgorges gases and particulates; the bottom ash (from the furnace) and the sludge from the scrubbers go into lined settling ponds, where the water evaporates and the dry residue is then taken to landfills; most of the fly ash is captured by electrostatic precipitators or by mechanical filtering in baghouses (the hot gases are forced through bags of fairly finely woven textile) and is trucked to landfills.

In a 1,000-MW unit, solid wastes are produced at the rate of some 30 pounds per second.* They include 19 toxic metals (such as arsenic), carcinogens (such as benzopyrene), and as reported in *Science* in January 1978, some mutagens.

They are also radioactive, as are the stack emissions—up to 50 times more than the routine emissions from a nuclear plant. If coal-fired plants were subject to the regulations of the Nuclear Regulatory Commission, most would have to be shut

*The waste quantities cited assume a capacity factor of 75 percent, coal with 18 percent ash factor (Midwestern bituminous), and a conversion rate of 2,500 kwh per ton of coal.

down for exceeding radioactive limits. The radioactivity is due to the uranium, thorium, pollonium, radium, and other radionuclides in the coal (some of them are soluble in water and chemically active). It is not the radioactivity that makes coal wastes dangerous, however; even if 50 times greater than that from nuclear plants, it is still minute. The point is simply to note a comparison of which most people are utterly unaware.

All these goodies are dumped in landfills, where nobody monitors them, and their health effects appear only after they have been leached out of the dump. Except for the radioactive isotopes, the half-life of the toxic elements like arsenic or mercury is infinite. Their volume is stupendous: The sludge from the scrubbers alone is expected to cover 240,000 acres to a depth of six feet by the end of the century.

Yet the solid wastes are much the smaller problem. The real health hazard is the wastes disgorged by the stack. Per 1,000-MW unit, they include:

- 600 pounds of carbon dioxide per second—not toxic, but possibly responsible for climatic changes.
- 30 pounds of sulfur dioxide (and some sulfur trioxide) per second—linked to lung, heart, and bronchial diseases by striking correlations (though a direct cause-effect relationship need not necessarily follow).
- As many nitrous oxides as 200,000 automobiles running simultaneously—producing photochemical smogs and recently linked (via nitrosamines) to cancer in urban areas.
- Particulates—the ones that get past the precipitators and other filters because they are too small are also too small to be held back by the filtering mechanisms of the human body, and they reach the bronchi and the lung. Even if the precipitators are 99 percent efficient, 18 pounds of this fine stuff comes out of the stack every minute.

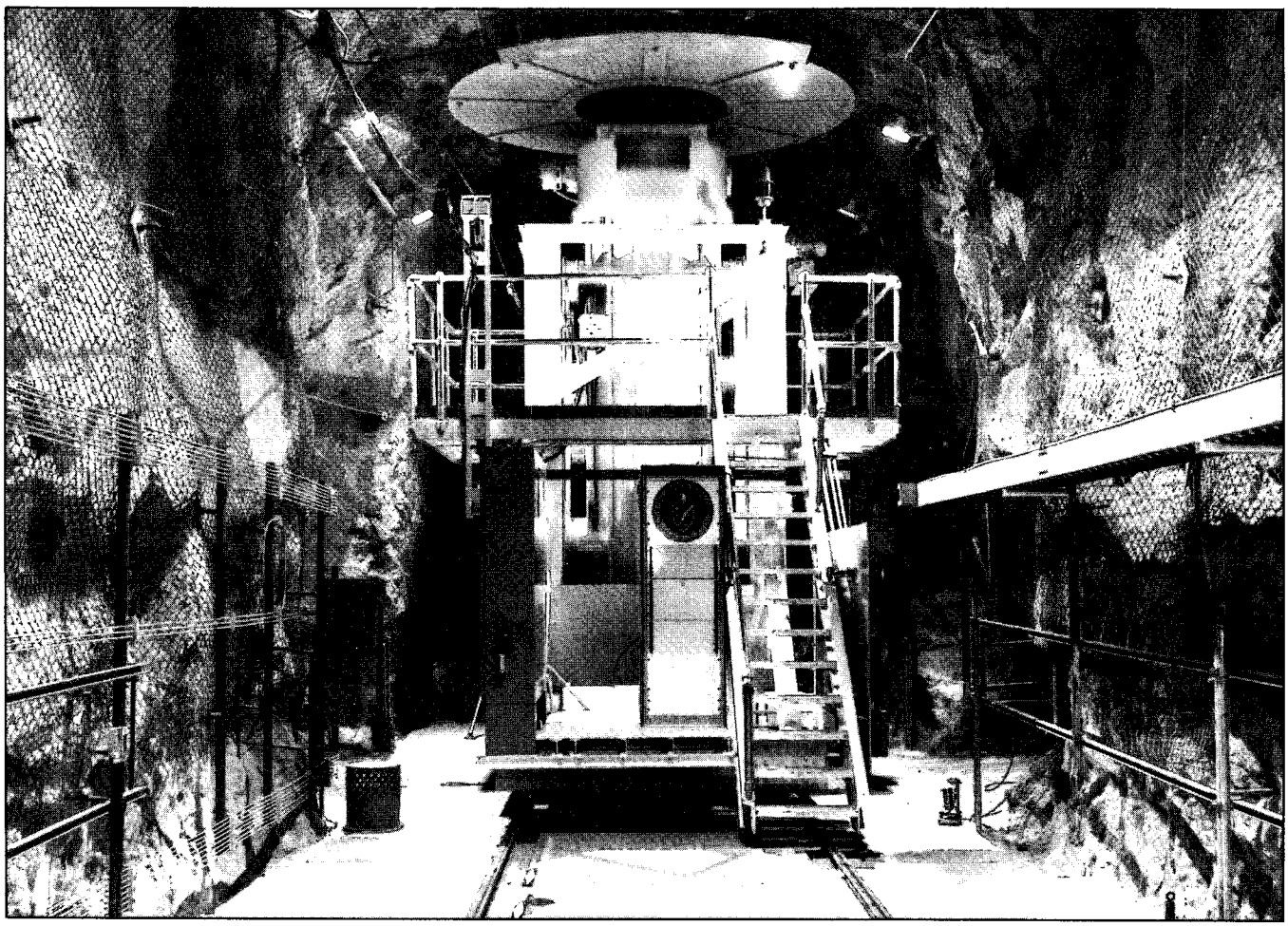
The carcinogens, mutagens, and toxins (or for that matter, the radioactivity) of these particulates are not tied to size. They are present to the same degree as in the bottom ash and fly ash, which is so abrasive that if used in a jet it can cut metal. Some of it is deposited in people's lungs.

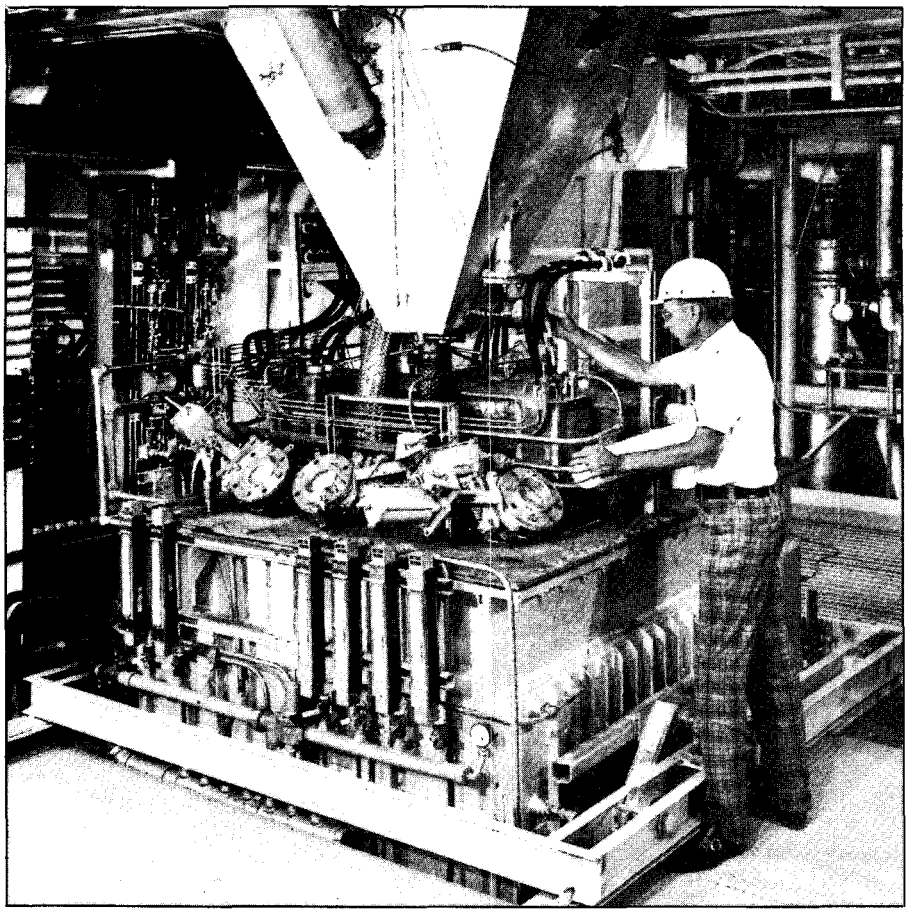
That is the waste "disposal" we have now.

The results should not be surprising, yet they come as a shock to most people. A report prepared by the Office of Technology Assessment of the US Congress in 1979 estimated the number of premature deaths due to air pollution attributable to coal combustion:

	Coal Use (quads)	Annual Projected Mortality
1975	11.3	48,120
1985	22.5	49,543
1990	25.7	55,835

AT THE WESTINGHOUSE FACILITY, GRANITE IS BEING TESTED AS A NUCLEAR WASTE DISPOSAL SITE. HERE, AN ENCAPSULATED SPENT FUEL CANISTER IS LOWERED ONTO AN UNDERGROUND TRANSPORT VEHICLE.





A DEMONSTRATION MACHINE USED AT PACIFIC NORTHWEST LABORATORY TO TEST THE MELTING OF CALCINED (DRIED) NUCLEAR WASTE INTO GLASS OR CERAMICS.

These numbers will not startle anybody who has been studying the public-health effects of power generation. What is startling is the way the national news media have ignored such matters in their coverage of the debate over nuclear power.

The figures are the best that are currently available, based on recent work at Brookhaven National Laboratory. Though they are carefully calculated from measured correlations with sulfate exposures in each 20-by-20 mile square of a grid covering the United States, they are not certain but probabilistic values subject to a statistical range of error and subject also to assumptions about future coal usage.

Electric power generation now account for about 81 percent of coal use. Its share of the cost of coal waste disposal into the atmosphere is some 39,000 premature deaths per year. That does not include the human costs from waste disposal in landfills, nor the other human costs of coal (deaths and injuries in transportation, industrial diseases, and accidents in the mines, all of which are vastly greater than for the uranium needed to produce the same energy.) Against this background, what is *currently feasible* in the technology of nuclear waste disposal is a largely unrecognized blessing.

NUCLEAR POLITICS

A nuclear reactor's fuel rods, which contain uranium oxide pellets, are replaced after about three years of service. The reason for replacement is not that their energy has been used up but that the fission products block the flow of neutrons necessary for an efficient chain reaction. These "spent fuel" rods are "hot" not only in the sense that they are radioactive; they are also thermally hot. They are cooled for some time in pools of water at the site of the power plant to let the short-lived components die away.

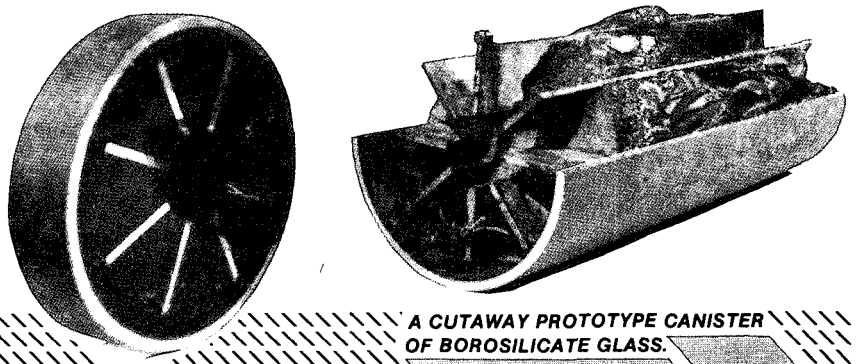
(The short-lived components are the dangerous ones, since their short life is spent in radiating away their energy more intensely. They also include some products that are dangerous for additional reasons—for example, iodine 131, with a halflife of 8 days, which can be trapped and retained by the thyroid gland, where it may give rise to cancer.)

After the fuel rods have been in the cooling ponds for some six months, they should be taken to a reprocessing plant, where they are cut up into short pieces and dissolved in nitric acid, in order to extract the remaining fissionable uranium and the plutonium formed in the rods and to recycle it into fresh fuel. (Yes, plutonium is formed in the rods of conventional light-water reactors, too. As much as one-third of nuclear power is generated from plutonium now, before the advent of plutonium breeders.)

This is not, however, what is actually happening in America now. President Carter prohibited reprocessing, and a plant at Barnswell, South Carolina, built to perform it, lies idle. Consequently, the fuel rods have been piling up in the cooling ponds, and power plants are running out of space. This in itself is not a fatal problem. In fact, it may be indirectly beneficial in that utilities are exploring above-ground, air-cooled facilities for storing the fuel rods—a method that has been proven safe in use in Canada and Europe and that promises to be far less expensive than the present water cooling.

The more lamentable aspects of the ban on reprocessing are that, amidst worries about increasingly scarce energy supplies, quadrillions of BTUs locked up in these fuel rods go untapped; and amidst worries about nuclear proliferation and terrorism, it is proposed that this energy be wasted in a "throw-away cycle" by burying these rods in tombs, until the whole country is littered with little plutonium mines in honor of President Carter's nonproliferation policy.

All of this, however, is merely politics. US policy in this area is not based on any technological constraints. Reprocessing technology is not only well developed but in commercial operation in Britain (Windscale), France (La Hague), and the USSR (location undisclosed, but quite likely in Dimitrovgrad on the Volga). All three countries also have full-sized breeder reactors on line in the public power net, and reprocessing is particularly advantageous for breeders. Two other countries, Germany and Japan, now send their spent fuel to France for reprocessing, but both have



A CUTAWAY PROTOTYPE CANISTER OF BOROSILICATE GLASS.

EVEN DILUTED TO TWICE THEIR OWN VOLUME, ONE YEAR'S HIGH-LEVEL WASTES FROM A 1,000-MW PLANT WOULD FIT UNDER A DINING ROOM TABLE.

far-advanced plans for reprocessing plants (as well as for breeder reactors).

After reprocessing, with most of the uranium and virtually all of the plutonium (more precious than gold) extracted chemically from the acid, there remain high-level wastes. These are responsible for 99 percent of the radioactivity but amount to only 1 percent of the volume.

The high-level wastes are then solidified and sealed into a permanent leach-resistant medium such as borosilicate glass or ceramic or basalt, which is then itself sealed into a permanent container such as a stainless-steel or ceramic or cement canister. After some years of cooling in interim facilities, the canisters can be surrounded with an absorbent mineral filling and then buried, retrievably, in stable geological formations. All of these points need further explanations, and I will return to them. But first, two outstanding features of these wastes should be noted: their incredibly small volume, and their temporary toxicity.

Even though the high-level wastes are diluted with twice their own volume of inert materials as they are solidified into glass or ceramic, the grand total of these wastes for a 1,000-MW unit amounts to no more than two cubic meters per year—a volume that would comfortably fit under a typical dining room table. A coal-fired plant of equal capacity produces some 10 tons of waste—not per year, but per minute.

As for toxicity, the wastes will not have to be guarded for thousands of years. In 500 to 1,000 years (depending on how completely the transuranics are recycled at the processing plant and also on the concentration of the comparison ore), their radioactivity will have decayed to below that of the ore they originally came from. In the long run, nuclear power does not add any radioactivity to the earth; on the contrary, some of the energy that would have appeared as radioactivity of the ore, had it not been mined, will have been used up to give people light and warmth.

DISPOSAL DETAILS

Now let us return to some of the technical details of disposal.

The stainless steel canisters holding the wastes solidified in glass or ceramics will be 1 foot in diameter and 12 feet long. Before going into their ultimate repository, they will be stored for an interim period of about 10 years in air-cooled vaults or water basins. The only place in the United States where this is now being done (as a pilot project, because there are no commercial wastes yet ready to undergo this treatment) is the Idaho Chemical Processing Plant, where underground concrete vaults are used.

The advantage of delayed burial is a great easing of the cooling problem. The heat generated by the wastes will have died down to less than 3.5 kws per canister, or less than is released by the typical home laundry dryer.

The canisters can then be buried deep (1,500-1,800 feet) in stable geological formations, where, separated by about 10 yards (to provide cooling air flow and access for possible retrieval), they would take up a tiny area as waste disposal sites go: even if 100 percent, instead of 11 percent, of US power capacity were nuclear, the annual increase would amount to less than 100 acres.

A typical geologically stable formation is a salt formation, of which the United States has many. The existence of the salt shows that no water has been present for as long as the formations have been there (some 100 million years), or they would have dissolved. And if water were to get in after all, the salt would seal up and prevent more water getting in.

SO WHAT'S THE TROUBLE?

It should be clear from this brief account that there are no major engineering problems in disposing of nuclear wastes in a manner whose safety is unrivaled by any that can be applied to other wastes—in particular, to the fossil wastes whose high costs in public health could be eliminated by switching to nuclear power. Why, then, is the perception widespread that waste disposal is *the* problem holding up nuclear power in the United States? The answer is that no method of disposal has been adopted and legalized by the bureaucrats and politicians in Washington.

It is true that the need for permanent waste disposal is not very pressing right now. But the fact is that until people are made aware of the technical possibilities, they can be expected to continue to oppose in large numbers the present operation and new construction of nuclear reactors—at the expense of many lives each year.

Not only are there no major problems; there is even one case giving 1.8 billion years of experience with nuclear wastes. In Oklo, located in Gabon, Central Africa, five *natural* nuclear reactors were in operation for half a million years 1.8 billion years ago, producing two tons of plutonium and five tons of fission products. Almost all of the plutonium has now decayed, and the "wastes" have not budged for 1.8 billion years.

Disposal is not without minor problems, however, most of which are of the "Couldn't it be done even better?" type. There are a few who believe that burying the wastes below the sea bed would be better than on land and fewer still who would melt them into the arctic ice cap. But there is ongoing investigation of encapsulation substances and burial sites.

France and Britain have done a good deal of work with borosilicate glass as the material in which to immobilize radioactive wastes. Since 1978 the French have been operating a small glass plant at Marcoule. Yet there are reasons to believe that ceramics are better, and they may yet be adopted in the United States. Meanwhile, scientists led by Prof. A. E. Ringwood at the Australian National University in Canberra have developed and patented the manufacture of artificial rock that will so mesh with the crystalline structure of the waste that it will immobilize it for up to two billion years. (How do they know? From the geology of stable isotopes: radioactivity is a nuclear phenomenon and cannot affect chemical or macrophysical behavior.)

And at the Idaho National Engineering Lab (INEL), high-level wastes from the reprocessing of spent fuel rods from the navy's nuclear-powered submarines have been incorporated into a curious material developed by INEL scientists. The material looks like basalt, has the same physical properties as basalt, and has a very similar chemical constitution (it is just a bit richer in iron)—all for a very good reason: it *is* basalt. By slowly cooling artificial lava, the scientists at INEL have produced synthetic basalt—with the powdered nuclear wastes a part of it. The resistance of basalt to heat, moisture, leaching, weathering, earthquakes, and all other natural furies has been total, although admittedly experience is limited to about 200 million years.

As to the canisters holding solidified wastes, alternatives to stainless steel being actively considered include: copper; an alumina-zirconia ceramic favored by the French for its high chemical insolubility; and artificial sapphire, which has been used in Sweden to produce a full-scale canister that can last for millions of years, because nothing short of diamonds is hard enough to cut it open. In addition, geochemist Rustum Roy, writing in the April 1981 issue of *Technology Review,* predicts that "in the long run, concrete containers will no doubt be actively considered....concrete's extremely low cost, convenience of fabrication in situ, and ease of sealing are simply unmatchable." Roy notes that existing opposition to concrete "has been based on unfamiliarity with current concrete technology (including amateur responses based only on the familiar concrete used in highways)."

Recently, scientists working on solving the nuclear waste disposal riddle have also come to believe that in certain instances, depending on the immobilizing and encapsulating materials used, it would be a good idea to add an "overpack" before long-term burial of waste packages. Consisting of mineral substances such as bentonite and quartz (a mixture under investigation by the Swedish), this overpack would protect the canister from any corrosives in the repository environment and would shield that environment from any escaping radioactivity.

Finally, some researchers are reconsidering salt beds as the repository site. According to Roy, recent findings indicate that salt is more corrosive and contains more water than long believed, so the Department of Energy and European agencies are exploring the possibility of other rock types, including shale, basalt, and granite.

The details of these alternatives make for fascinating reading. But given the current state of public opinion, one begins to feel like a person arguing the relative merits of this versus that anaesthetic at a time (only 120 years ago!) when people were convinced that to ease the pain of amputation there was nothing better than making the patient drunk and, if he could stand it, hitting him over the head with a club.

LOWER-LEVEL WASTES

Although the high-level radioactive wastes from spent fuel rods have been the greatest concern of those worried about nuclear power generation, there are other radioactive byproducts of the process also. There are low-level wastes, for example—usually defined as those with less than 10 millicuries per kilo-

IS IT ALL WASTE?

Most of nuclear waste is useless, and its most important aspect is replacement of far more voluminous and far more damaging waste from alternative methods of power generation. Yet some of it is useful now, and some more may be useful in the future (making a case for storing nuclear wastes retrievably).

Some fission products can be used as tracers. Since the chemical properties of an isotope do not depend on whether it is radioactive or stable, the former variety can show where a chemical is located. (How is iron distributed over the cross-section of a tomato, for example?)

The same idea of chemical equivalence has been tried to produce chemicals that will seek out cancerous cells and kill them with radioactivity. (Many people frightened by all things nuclear have pretty much forgotten that radioactivity is used to *cure* cancer.) In preliminary experiments cited by Edward Teller (*Energy from Heaven and Earth*), 70 percent of the rats so treated recovered from breast tumors, whereas the untreated animals died.

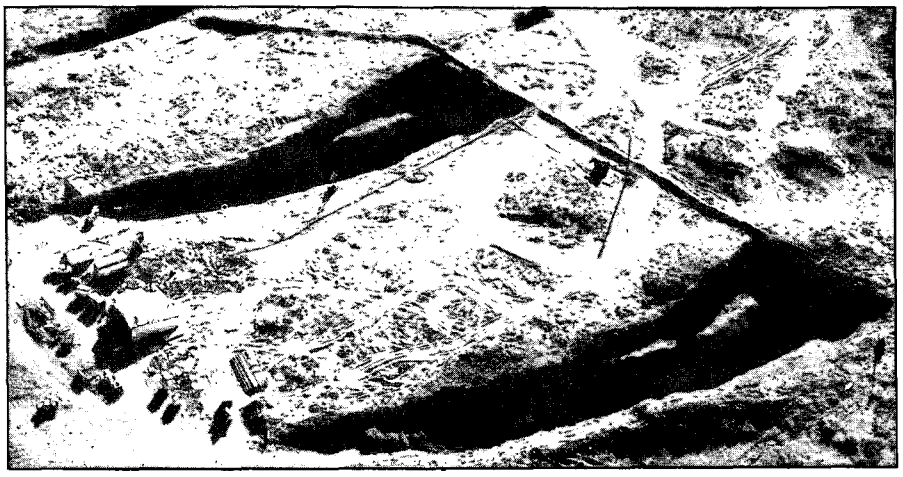
Food decays via the action of bacteria, which can be killed by radioactivity without affecting the food. Grain, fruit, and vegetables can thus be preserved without the use of chemicals. (Only South Africa has so far been courageous enough to use this method commercially.)

Currently, water supplies are disinfected by chlorination, but this produces chlorinated organics that are suspected of being carcinogenic. Gamma rays and their secondary products are capable of breaking up these compounds, as well as destroying other chemical pollutants such as phenols, cyanides, and benzoapyrene.

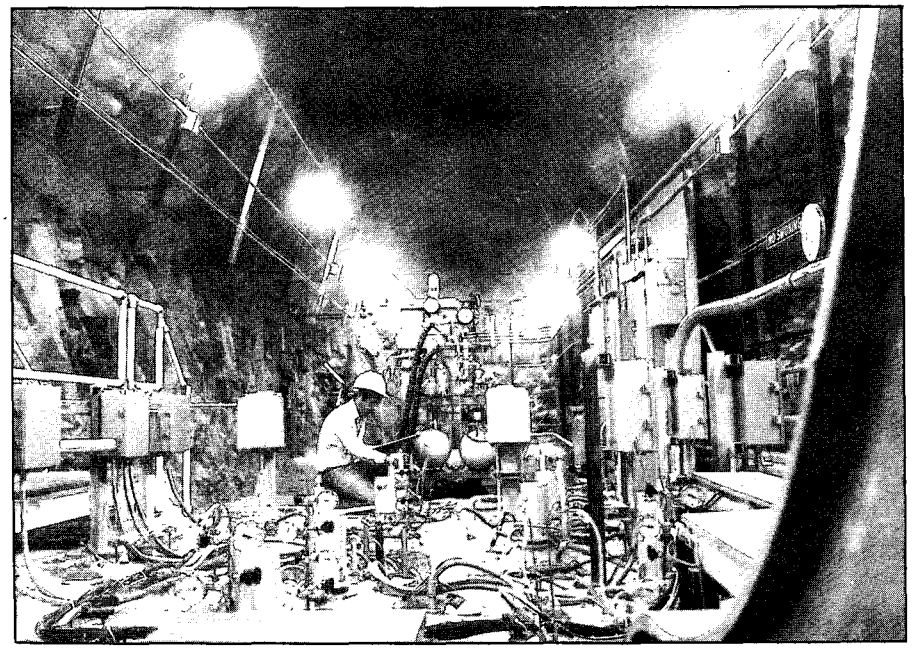
The sludge produced by sewage treatment plants can also be irradiated in order to destroy the disease-spreading bacteria breeding in it; it does not itself become radioactive in the process. This would not only sterilize the sludge but make it useful as a fertilizer and even as animal fodder.

Nuclear wastes could also provide heat to power electric generators in unmanned installations. In the Arctic and Antarctic, energy for meteorological stations is in fact being provided by strontium-90 recovered from spent fuel rods and packaged for such use.

A particularly intriguing point is the recovery of rare metals essential for some alloys and other applications but now available only from Zimbabwe and South Africa (sources that are considered politically unreliable enough to spark the current concern about strategic metals). In particular, rhodium, palladium, and ruthenium, each of which is more precious than gold, are present in the fission products, where latter-day alchemy has produced them from cheap uranium ore. It is not yet economic to extract these elements from nuclear wastes, but one day it evidently will be.



AERIAL VIEW OF ROCKWELL INTERNATIONAL TEST FACILITY AT HANFORD, WASHINGTON, WHERE RESEARCH ON BASALT AS A NUCLEAR WASTE REPOSITORY IS BEING CONDUCTED.



ONE OF THE TESTING ROOMS AT THE ROCKWELL FACILITY, WHERE RESEARCHERS ARE LOOKING FOR THERMOMECHANICAL OR RADIATION-RELATED EFFECTS ON THE UNDERGROUND BASALT.

gram. They consist of discarded workers' gloves, paper, plastic, textiles, glass, etc., that have been or may have been contaminated with radioactive isotopes and otherwise resemble normal household or industrial waste. These account for only 1 percent of the radioactivity of all wastes, but for 99 percent of the volume. Only about 0.01 percent by weight of this waste is actually radioactive.

This material is put into drums and disposed of under controlled and monitored conditions in a repository a few feet underground, with asphalt flooring and other methods of ensuring their isolation—in the United States. Many, perhaps most, other countries using nuclear power simply dump these drums into the sea, which is no great abuse, for it is probably negligible compared with the total radioactivity of sewage and other wastes dumped into the oceans.

Radioactive waste is also generated in the nuclear fuel cycle in the processing of uranium ore. Tailings near mills that extract uranium oxide from uranium ore have a relatively high concentration of U 238 and thus form an open source of radon gas.

When a nucleus of uranium disintegrates by natural radioactivity, it may turn into one of the fission products that itself turns into radium, which begets radon, which begets a further chain of unstable elements ended by a stable lead. The most dangerous in the chain are radon and its daughters, which are highly radioactive, and as gases, have easy entrance into the human body by inhalation. Radon is, in fact, the most serious radioactive health hazard in the natural environment, causing some 10,000 cancer deaths per year in the United States according to estimates by the United Nations Scientific Committee on Effects of Atomic Radiation. Radon is also the main cause of lung cancer among uranium miners. (Although radon is shortlived, it is constantly being replenished by its grandmother uranium, which has a halflife of 4.5 billion years.)

The radon produced by uranium mill tailings was used by R. O. Pohl a few years ago to claim that nuclear power generation is more hazardous than coal-fired power. Even assuming, however, that the tailings would simply be left lying around and houses built on them (as has happened in some cases), Pohl acknowledged that this source of danger would have to accumulate for 80,000 years before it overtook the fatalities due to coal-fired power. That puts it well beyond the next ice age, and makes the calculations so bizarre that it no longer matters much whether they are right or wrong. In fact, though, coal turns out to be worse even in this freakish issue of what today's mining will do to radon emissions over the next couple of million years.

Uranium is one of the elements that is ubiquitous; it is mined only where its concentration is very high, but it is present virtually everywhere, and it produces radon everywhere. Radon is an inert gas that does not react with other chemicals in the ground but diffuses upward and is diluted in the atmosphere. When a hole is dug into the ground for any reason at all, the flow of radon into the human environment is increased, and this aspect of coal mining alone might be enough to defeat the theory, but there is more.

Coal contains an average of one part per million of uranium, which is released to the environment as a source of radon. Although the hazard is quite small, it is 1,000 times greater for a coal-fired plant than from the wastes of a nuclear plant of equal power. The reason is not that the nuclear plant uses less uranium (it uses

incomparably more), but that in producing electric power it prevents most of its uranium fuel from turning into the radon that it would otherwise have produced. (The uranium used for nuclear power is that close enough to the surface to be mined, which is also close enough to the surface to release radon to the human environment whether it is mined or not.) What it produces instead is also radioactive, but the total dose to the environment is ultimately smaller than if the uranium had been left to decay on its own.

While the fatalities chargeable to this year's mill tailings will be drawn out over the next 80,000 to 2 billion years (with one fatality per year in the "worst" of these years), the radon trapped by buildings, especially unventilated ones, due to the ubiquitous uranium in its walls and foundations can more than double the outdoor background radiation, which itself is some 1,000 times higher than the average US resident gets from nuclear plants. This radon enters the lungs of the building's occupants, not in 80,000 years, but here and now. If your room is not well ventilated (for example, in order to use less energy for heating or cooling it) you may well be breathing it as you are reading these lines.

Any energy facility must, at a certain age, be taken out of service. The reservoir behind a hydroelectric dam will eventually silt up, and a fossil-fired plant has a life of about 30 years. Nuclear plants are licensed for 40 years and may have to be decommissioned after that time or earlier. In a sense, this is a case of waste disposal, too, but again one that is not insurmountable.

Some parts of the plant will have become radioactive. Surface contamination can be removed by chemical cleaning or sandblasting (as has been done in Chalk River, Canada), but the induced radioactivity bound within the material of the pressure vessel, for example, cannot be removed in this way. For the induced radioactivity of steel, the dominant source is cobalt 60, and it would take 50 to 100 years before it died down to a level at which the massive pressure vessel could be dismantled without special precautions.

The three ways of decommissioning a reactor are mothballing (blocking the entrances by pouring them shut with concrete and instituting some other security measures), entombing (burying the plant under a hill of earth), and dismantling by remote control. All three methods have been tried in practice and are technically feasible, so that the choice, when the decommissioning age is reached, is dictated by economic considerations.

Since 1960, 65 reactors have been decommissioned in the United States, including 5 power reactors, though none of the large units (1,000-MW or more) have yet been dismantled. Since the reactor building is only a small part (less than one-tenth) of the usual 25-acre site of a nuclear plant, mothballing would not prevent a new reactor being used on the same site, and one of the favored options is mothballing for 100 years followed by straightforward dismantling and removal, at an expense of under two percent of the cost of the plant. Immediate dismantling under remote control has been shown feasible in an experiment performed in the Nevada desert, but for a 1,000-MW unit it could cost as much as $300 million if performed immediately or $150 million if delayed for 30-40 years.

PRACTICALITY AND MORALITY

If nuclear waste disposal is so safe, why can't conventional waste disposal be made as safe or safer? Because the sheer quanitity is overwhelming. As in all other aspects of nuclear power, its superior safety is ultimately due to the concentration of danger in small volumes that can easily be guarded and protected by multilayered safety systems. Such systems are simply not thinkable for containing other dangers.

Transportation is a good example of this principle. Hardly a week goes by without an evacuation somewhere because a train carrying chlorine or ammonia or some other toxin has derailed. The amounts produced (and presumably transported) in the US every year are 16 million tons of ammonia, 9 million tons of chlorine gas, 32 million tons of sulfuric acid—the list could go on for pages. These vast quantities simply cannot be protected from leakage, derailment, fire, and other hazards.

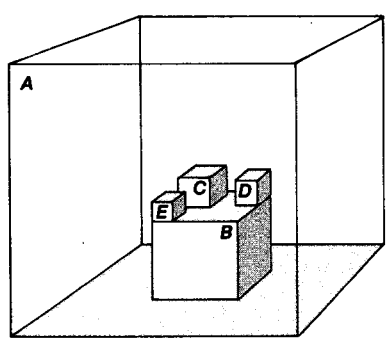
But nuclear wastes are so minute in quantity that it is eminently feasible to design containers that will withstand crashing into concrete walls at 60 miles per hour, dropping onto spikes from a height of 30 feet, and surviving prolonged periods in the open flames of a fire. Theoretically, the same could be done for chlorine gas. But for 9 million tons of it?

"The best practicable technology" is a phrase included in most environmental regulations. However much people may object to this fact, the evidence shows that the best practicable technology for the wastes arising in the generation of electricity is to generate it by nuclear energy in the first place. The present method of disposing of those wastes kills some 39,000 Americans a year. The victims of nuclear waste disposal, if any, will be quite negligible compared with that number. How long can the opponents of nuclear power continue to conceal this comparison?

It seems likely that nuclear power will ultimately *have to* replace our present methods of generating electricity. The reason, which has little enough to do with morality, is evident at a glance from a figure drawn up by the London *Economist* to depict the various quantities of energy producible from estimated reserves of resources (see figure at left). Opposition to nuclear power can hold it back for a year, two years, perhaps even a decade or two. But for every 60 minutes spent in speaking against nuclear power, four more American victims of the present method of electricity-linked waste disposal meet an untimely death. ◻

US ENERGY RESOURCES
in quads
(1 quad = 1 quadrillion BTU)

A uranium 238 for fast breeders	130,000
B coal	12,000
C uranium 235 for light water reactors	1,800
D oil	1,100
E natural gas	700



Petr Beckmann is a professor of electrical engineering at the University of Colorado and the author of a number of books and scientific papers. Originally working in electromagnetics and probability theory, he became interested in questions of energy and now publishes the monthly newsletter Access to Energy. *This article is adapted and updated from his booklet* The Non-Problem of Nuclear Wastes.
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A *Calm* Look at Abortion Arguments

Legislation relating to abortion must hinge on the question: When does the right to life begin?

BY ROGER BISSELL

The abortion issue in our time has been likened to the slavery issue in the 1800s: emotions run high, and the citizenry is deeply divided over what is universally acknowledged to be more than a superficial issue. In fact, there is a more fundamental similarity: in both cases an important underlying issue is, *What is a human being?*

Many who supported the continuation of slavery did not favor the violation of human rights; they simply did not believe that the black man was quite human. And although some people would not prohibit abortions even if the fetus is a human being (for example, because the woman or society would benefit more from the abortion than would the fetus from being left to develop), most people would agree that *if* the fetus is a human being, then abortion is wrong (except perhaps if the mother's life is threatened). For if a living being is a human being, then it has a right to life and cannot rightfully be aborted or otherwise killed except in self-defense.

Where the disagreement enters, though, is precisely on the issue of whether, or at what stage, the fetus is a human being. Emotionalism on both sides of the abortion debate has tended to obscure this fundamental point of contention. So have appeals to religious teachings, tradition, opinion polls, women's independence versus men's domination, and so on.

All of these tactics are designed to make a point about abortion; they do very little to address the real disagreement over the tough question, When does a human being come into existence? But until the air is cleared of emotionalism, and solid arguments and the available facts are brought to bear on that question, it will be impossible to settle the debate over abortion legislation in a manner consistent with the American political tradition, to which individual rights for all human beings are central. So, where do reason and the facts lead us?

HUMAN AT CONCEPTION?

Those who oppose abortion altogether are agreed on the premise that existence as a human being begins with conception. Given the human right to life, abortion is thus murder and must be outlawed. (Some allow an exception if the woman's life is endangered by continuation of the pregnancy; others add pregnancy by rape or incest.)

Why do they claim a link between conception and human existence? Although some antiabortionists (or prolifers*) refer to religious teachings or make emotional pleas, there are others who make their case with logic and facts. The strongest argument offered by the rational antiabortionists is based on certain facts of biology pertaining to the nature of life and the nature of the fetus.

I myself was at one time such an advocate. Like some other rational antiabortionists, I rested a good part of the argument on the essay "Man's Rights" by Ayn Rand, who is, however, a staunch defender of the *prochoice** position on abortion. This antiabortion argument, quoting from and expanding on Rand, goes like this:

> *As Ayn Rand argues, "Life is a process of self-sustaining and self-generated action." Such a process begins when an egg and sperm cell unite. Thus, a new living human being comes into existence at conception. All human beings have the right to life, so even a newly fertilized zygote (being a living human being) has the right to life. And "the right to life," explains Rand, "means the right to engage in self-sustaining and self-generated action." For a zygote, embryo, or fetus, this means the right to continue receiving sustenance and shelter from its mother. Therefore, abortion is murder.*

This is a powerful argument—it gets to the heart of the matter; it is consistent; and it appeals to relevant facts. It can withstand a number of stiff objections.

The first prochoice challenge is to deny that the fetus even qualifies as a being, a separate and distinct organism, before it is born. It may be separable or viable at some point, they con-

*Labeling is always a problem in a debate, and it has been so in the abortion controversy. I have settled on *antiabortion* and *prochoice* (rather than *prolife* and *proabortion*) because they seem to be more neutral, not prejudging the fundamental issues at hand or ascribing more to either side than is the case.

Emotionalism on both sides of the debate has tended to obscure the fundamental point of contention: whether, or at what stage, the fetus is a human being.

cede, but until then it is simply a parasite or a part of the woman's body.

In reply, antiabortionists point out that the fetus carries out digestion, excretion, and a number of other functions and, from at least 28 weeks after conception, perceives via its sense organs and nervous system. The fetus thus has centers of organismic activity separate and distinct from those of the woman harboring it. Reliance upon the uterus for shelter and the placenta for nourishment no more makes the fetus a nonindividual or parasite than does the dependence of an infant (or an adult, for that matter) upon someone else's house for shelter and someone else's food for nourishment make *it* a nonentity.

The second prochoice challenge to the rational antiabortionists' case is to deny that the fetus qualifies as a *living* being engaged in self-sustaining, self-generated action. It is clearly *dependent.*

Those on the antiabortion side point out, however, that by this standard a child is not "alive" either, since he or she is unable to provide for himself or herself. They further correctly observe that this line of argument betrays a gross misunderstanding of Rand's concept of life.

Although Rand defines "life" as "a process of self-sustaining and self-generated action," "self-sustaining action" does not mean providing one's own sustenance through one's own efforts. It means something much more fundamental biologically: an action *directed,* either by choice or automatically, toward the organism's own continued action—regardless of the source of the materials necessary to sustain that action.

Similarly, "self-generated action" means an action *initiated,* either by choice or automatically, by the organism itself. Even the simple energy conversions of a plant qualify as life, since they are initiated by the plant and directed toward the plant's own continued conversion of energy. Clearly, the fetus—which is the center of increasingly complex processes of metabolism, locomotion, and consciousness, separate and distinct from those of the woman—is an actual, living being.

The prochoice people have but one move left: to deny that the fetus is a *human* living being; that is, to deny the claim that there is no essential difference in a fetus's nature at any two points in its development from conception onward. If correct, this denial would be entirely adequate to refute the antiabortion position.

PROCHOICE FUNDAMENTALS

There is no unanimity among prochoice people, though, as to *when,* and *how,* the fetus does in fact *become* human. Unless it can be established at what point in its growth, and because of what developments, a fetus—or baby or child—changes in its essential nature from not-yet-human to human, any stance in favor of leaving women free to choose an abortion should be regarded with suspicion. The question is: Can this gap in the prochoice position be filled?

A defensible argument for the prochoice position requires, first, an adequate conception of what it is to be human and, second, facts about fetal development.

Aristotle defined man, or human being, as *the rational animal.* The point was not that human beings always behave sensibly or logically. What he meant was that humans are the only creatures with a rational *faculty* that makes possible and explains all the *other* activities and accomplishments that distinguish humans from the lower animals.

Even within the vastly greater context of all of mankind's knowledge to date, Aristotle's definition still seems to have captured what it is to be human. As Ayn Rand, a 20th-century Aristotelian, explains:

> *One could observe that man is the only animal who speaks English, wears wristwatches, flies airplanes, manufactures lipstick, studies geometry, reads newspapers, writes poems, darns socks, etc. None of these are essential characteristics: none of them explains the others; none of them applies to all men; omit any or all of them, assume a man who has never done any of these things, and he will still be a* man. *But observe that all of these activities (and innumerable others) require a* conceptual grasp *of reality, that an animal would not be able to understand them, that they are the expressions and consequences of man's rational faculty, that an organism without that faculty would* not *be a man—and you will know why man's rational faculty is his essential distinguishing and defining characteristic.* (This passage is from Rand's *Introduction to Objectivist Epistemology.*)

If possessing this rational faculty is what sets humans apart from other creatures, then the point at which that faculty comes into play is the point of development at which a *human being* may be truly said to have made its appearance.

This rational faculty, however, involves much more than the complex levels of abstraction generally associated with "rationality." As Aristotle observed, the conclusions derived from reasoning are sound only when they rest on the evidence of the senses, only when tied to perceptual awareness of reality. So reason is not some abstract, freely floating ability separate and apart from perception but instead, to quote Rand, is "the faculty of perceiving, identifying, and integrating the evidence of the senses." In other words, the rational faculty that is a defining human characteristic is the ability to perceive *and then* conceptualize about reality.

It seems plausible to conclude that this faculty begins its functioning when the living being develops beyond the undifferentiated chaos of pure sensations and actually distinguishes objects of perception. But exactly when does perception begin? When is the brain sufficiently developed?

Much earlier than previously suspected, according to recent findings. Neurophysiologists have made EEG measurements of developing fetuses and prematurely born babies and dis-

Clearly the fetus – which is the center of increasingly complex processes of metabolism, locomotion, and consciousness – is an actual, living being.

covered that the patterns of electrical brain activity prior to the 28th week of development are radically and fundamentally different from those occurring *after* the 28th week.

In *The Conscious Brain,* Steven Rose, a British neurophysiologist, observes that "before 28 weeks the patterns are very simple and lacking in any of the characteristic forms which go to make up the adult EEG pattern." Then, between the 28th and 32nd weeks, the theta, delta, and alpha waves of the adult make their appearance—at first only periodically, "occurring in brief, spasmodic bursts; but after 32 weeks the pattern of waves becomes more continuous, and characteristic differences begin to appear in the EEG pattern of the waking and sleeping infant."

American neuroscientist Dominick P. Purpura concurs with Rose. In a recent interview, Purpura defined "brain life" as "the capacity of the cerebral cortex, or the thinking portion of the brain, to begin to develop consciousness, self-awareness and other generally recognized cerebral functions as a consequence of the formation of nerve cell circuits." Brain life, said Purpura, begins between the 28th and 32nd weeks of pregnancy.

To summarize: the pre-28-week fetus—while indeed a living organism—cannot be regarded as *human,* since it does not yet possess a functioning rational faculty. It *is* a potential human being. It becomes an *actual* human being only when the faculty that makes it distinctively human begins operating—at about the 28th week of pregnancy.

It follows then that until at least the 28th week of pregnancy, the fetus has no human rights that might be violated by abortion. So there should be no legal impediment placed in the way of a woman who seeks to abort such a fetus.

From the 28th week onward, however, the fetus *does* have the right to life. Abortion past this point should be permitted only under two conditions: when the woman's life is threatened by the pregnancy (in which case, a fetus that survives the abortion must not be killed or allowed to die) or when the fetal brain is so defective that it will never function on the human level of awareness.

Otherwise, abortion after the 28th week is equivalent to murder and should be treated as such under the law. The same legal protection presently given to normal children should be extended to normal post-28-week fetuses. This includes full recognition and implementation of their rights to life, liberty, property—and support.

OTHER VIABILITY VIEWS

In contrast to the case I have presented above, the mainstream prochoice argument says that "heart-lung viability"—which happens around the third trimester, or last three months, of pregnancy—should be the dividing line between the woman's right to an abortion and the fetus's right to life. This is the view that antiabortion forces are trying to defeat through legislation or a constitutional amendment.

But as Dr. Purpura has pointed out, the concept of viability at 24 weeks only makes sense if the heart is the central organ of human life. In fact, he notes, it is the brain that should be so regarded. The essence of human life rests, not in having a heart and lungs that permit one to survive outside the woman's body, but in having a brain that functions on the perceptual level and is normal enough eventually to function on the conceptual level, as well. So the viability of a fetus—its ability to survive *as a human being*—should properly be placed at around the 28th week instead of the 24th week, as presently maintained by most of those arguing for the prochoice position.

This new definition of viability in terms of brain development is not vulnerable to a rather serious antiabortionist objection to the heart-lung criterion: making the right to life dependent upon technology. Ten years from now, physiological viability may be possible as early as three months, instead of six months, because of certain medical advances. So, they ask, how is it moral to deny a three-month fetus the right to life *now,* since its *nature* would be identical in the technologically advanced future? But by the neurological standard based on brain development and function, the three-month fetus would not qualify as human even if technology made possible physiological three-month viability.

Another competing prochoice argument is drawn from the common law. As expressed by Lord Coke in the 17th century, the common law held that "wilful murder" was the unlawful killing of "any *reasonable* creature *in being* and under the king's peace with malice fore-thought—either express...or implied." And it had a strikingly simple standard for establishing what was "a reasonable creature in being": one separated from the mother's body and sustained by an independent circulation. In other words, one was born, and that was that!

While some prochoice advocates maintain that we should stick with the common-law criterion, we now know more about the nature of the fetus. It makes sense to conclude that a normally developing fetus past the 28th week is also a "reasonable creature in being." It is viable, capable of being born from its mother's body; and while not yet separate, it is certainly *separable.* So to extend the concepts of murder and manslaughter to include unjustifiable termination of the post-28-week fetus is not a travesty of the common law but is instead a reasonable modification of it in the light of the best knowledge available to us now.

SUPPORTING RIGHTS

Another error avoided by the neurologically based argument is that made by an extremist minority in the prochoice camp who equate the functioning of the rational faculty with full-blown conceptual thought. While this group agrees with the definition of "man" as the rational animal, they would reject the claim that the rational faculty begins functioning in the

Exactly when does perception begin? When is the brain sufficiently developed? Much earlier than previously suspected, according to recent findings.

womb with the onset of perceptual awareness (at about 28 weeks). Instead, they say that the rational faculty doesn't operate until the child is capable of *reasoning* and *willing*—that is, of conceptual thought and moral choices, of directing its own life independently. Thus, they say, infanticide—and even the killing of perfectly normal older children—while perhaps *morally* monstrous in some cases, should not be legally regarded as murder.

Despite the overwhelming emotional horror with which most people react to this position, it cannot be dismissed out of hand. There is a serious concern here with preserving the doctrine of human rights. It *cannot* be the correct definition of "rational" or "human" to claim that the fetus's rational faculty begins functioning in the womb, they say, for it makes it impossible to apply human rights consistently.

Why? Because if the parents are unwilling to support the child and can find no one else to do so, doesn't it violate the parents' rights if they are forced to support another human being—even their own child? Isn't this tantamount to involuntary servitude?

Clearly, the problem here is not just whether abortion is ever justifiable. The broader question is whether any child has a right to be supported by its parents—rather than killed, abandoned, or simply neglected—until it becomes an independent person capable of surviving by its own effort and initiative.

In fact, though, there is no conflict between parents' and children's rights. The right to child support—including during the last 12 weeks of fetal life—springs from the same basic source as the right to compensation for disablement when caused by someone else. A person who is responsible for causing the helpless stae of another human being is appropriately responsible for that person's care until he is capable of caring for himself (unless another person is willing to assume the responsibility).

In the case of pregnancy and childbirth, a woman who refuses or fails to abort at some point prior to the 28th week has allowed the fetus to become no longer just an embryo, a potential human being, but an actual, helpless, human being. By continuing to nourish and shelter the fetus past the 28th week, the woman has *caused* it to become a helpless human being for which she ought to be responsible from that point onward. She had sufficient time to abort the fetus while it was still nonhuman, and once it does become human, the decision and the rights involved are no longer hers alone. (Again, we are assuming that the fetus is neurologically normal and that the woman's life is not threatened by continued pregnancy.) Thus, the same statutory protection currently accorded normal children ought to be extended to post-28-week fetuses. This includes full recognition and implementation of their rights to life, liberty, and property—and support until they are capable of independence.

ANTIABORTION RESPONSES

The prochoice case I have defended may well leave some antiabortion supporters unmoved. But there is a significant group for whom it should be conclusive: those who espouse logic and facts in arguing that the fetus has a right to life from conception.

Rational antiabortionists make it clear that they are not out to impose on others their personal opinions or religious views about when human life begins. Instead, they want to make the law conform to *facts*—specifically, the facts of biology—rather than to someone's *wish* to obtain an abortion.

Given their commitment to facts, in particular to biological facts, the rational antiabortionists must seriously consider my argument, for it appeals to some recent and singularly relevant scientific findings. They must either deny that the neurological data are scientific or offer a different interpretation of them. Short of that, they are bound by their own ground rules to accept this argument and join the prochoice ranks.

Antiabortionists may be worried, however, that defining human beings in terms of anything other than the product of the union of a human egg cell with a human sperm cell would lead to horrible consequences. Wouldn't it open the door to all the terrors of Nazi Germany: genocide, mercy killing, extermination of misfits and other undesirables, on the grounds that they are "inferior," not human, and thus not worthy of the right to life?

But according to the neurological data and the understanding of human nature offered here, the only candidates for being considered nonhuman are: pre-28-week fetuses; babies born without a cerebral cortex or who would otherwise never be able to function conceptually; and individuals who, because of severe brain damage, will never again be able to function conceptually—the Karen Ann Quinlan types. In each of these cases, it is feasible to determine when the neurological standard applies medically and thus to apply the definition of "human being" consistently. There is nothing in the logic of the case that would allow these criteria to be extended to include the senile, "slow" children, Jews, infidels, or redheads over 6 feet, 4 inches in height!

So totalitarianism is by no means a consequence of the prochoice position. In fact, as Leslee J. Newman pointed out in *Libertarian Review* in December 1979:

> *The Nazis were anti-abortion, yet they were not "pro-life" in their feeling towards certain minority groups. Today in many countries where abortion is outlawed or severely restricted by the state, thousands of persons might be randomly imprisoned, tortured, or shot, as in many of the nations in Central and South America. Thus, it would appear that there is no correlation between the outlawing of abortion and a general respect for the human rights of a populace.*

On the other hand, the antiabortion position *does* usher in

(ADVERTISEMENT)

NTP News Report

Part I

THE MOST IMPORTANT MONEY/POWER DISCOVERY SINCE THE INDUSTRIAL REVOLUTION

Frank R. Wallace, Ph.D.
Interviewed by
NTP Columnist
Eric Savage
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The discovery of an entire new field of knowledge by Dr. Frank R. Wallace, a former Senior Research Chemist for E.I. du Pont de Nemours, was announced in early 1980.

Since mid 1976, Dr. Wallace has worked to uncover a powerful array of new knowledge called NEO-TECH. That new knowledge allows ordinary people to prosper—even flourish—anywhere in the world. Last January, I interviewed Dr. Wallace at his home in southern Nevada. Below are edited portions of the interview that explain his discovery:

NTP: What is Neo-Tech?

WALLACE: Neo-tech is the consummate evolution of easy winning—of ultimate personal success. Neo-Tech is a new, scientific method...a method that requires only a special knowledge, which has nothing to do with positive thinking, mysticism, or the occult. Once a person is exposed to Neo-Tech, he can quietly profit from anyone—anywhere, anytime. He can prosper almost anywhere on earth and succeed under almost any economic or political condition.

NTP: How did you discover Neo-Tech?

WALLACE: I first uncovered Neo-Tech through poker— the money game, the international strategy game. But Neo-Tech applies to all power and money-gathering techniques—to all situations involving the transfer of power or money. Poker involves the tranfer of money and is just one specific area that a person could profit through Neo-Tech. Subsequently, I pursued Neo-Tech beyond cards to uncover far greater strengths in competitive situations involving life, business, politics, and personal relationships. Neo-Tech applied to all winning situations.

NTP: How did Neo-Tech originate?

WALLACE: Neo-Tech has its roots in the constant financial pressures and incentives to develop the easiest, most profitable methods of winning. Over the decades, cardsharps, entrepreneurs, Don Juans have secretly searched for shortcuts that require little skill but contain the invisible effectiveness of the most advanced techniques. I identified those shortcuts and honed them into practical formats called Neo-Tech.

NTP: Is Neo-Tech like cheating; is it a metaphor for cardsharps, con artists, dishonest merchants, politicians on the take?

WALLACE: Definitely not. In the first place, Neo-Tech can be used honestly and ethically. In the second place, Neo-Tech is *not* based on sleight-of-hand, collusion, fraud, gall, hustling or swindling as are most cheating techniques and con jobs. Indeed, Neo-Tech requires no special skill, devices, or nerve—and involves no collaborators. It requires no risk or changes in life style—only a new scientific knowledge that generates profits and power. Moreover, Neo-Tech instantly renders cheating ploys so obsolete that such cheating is no longer an important threat to card games or other life situations. By contrast, Neo-Tech will someday dominate most winning situations as it spreads outside of the card world, into business and personal relationships. The Neo-Tech man is very different from the cheater. In fact, Neo-Tech practitioners display characteristics opposite to those of traditional cheaters as shown by this comparison chart:

Dr. Wallace's Chart #1
CONTRASTING CHARACTERISTICS

The Traditional Cheater	*The Neo-Tech Man*
Nervous	Confident
Stiff	Relaxed
Controlled by surroundings	Controls surroundings
"When should I do it" feeling —cheats every opportunity	Knows exactly when to apply Neo-Tech—applies Neo-Tech selectively
Keeps people from watching him closely. Uses distractions and concealments	Lets people watch him. Needs no distractions or concealments
Causes suspicion with cheating moves—fears all opponents	Eliminates suspicion with Neo-Tech moves—fears no one

(comparison chart continued on page 2)

About Dr. Frank R. Wallace

During his 12 years at Du Pont's Brandywine and Chestnut Run Laboratories, Dr. Wallace was involved in several major research projects, including the catalytic conversion of salt and sand into chlorine and water glass to reduce the cost of raw materials for industry (Wallace holds the basic patent); the development of commercial flexible nylon used in the auto industry to improve fuel and brake systems; flame retardant nylon to improve the safety of electronic products; fluorocarbon wire coating to improve the efficiency and safety of aircrafts, space vehicles, and missiles; high-definition acrylics to reduce the cost and enhance the appearance of signs; and medical uses for man-made fibers, including new leads to disease cures. Dr. Wallace is also the author of several books, the author of many magazine articles, and the former editor of a national magazine. In addition, he is a former professional poker player and the author of the world's best-selling poker manual, "Poker, A Guaranteed Income for Life by using the Advanced Concepts of Poker", Warner Books, New York. 359 pages.

Makes victims unhappy while creating tense, traumatic atmosphere	Makes victims happy while creating friendly easy-going atmosphere
Worries that his cheating will be seen	Knows that Neo-Tech cannot be seen
Fears his telltale chacteristics	Works in relaxed harmony with his natural characteristics
Worries about the consequences of being caught in the act	Knows he cannot be caught in any act.
Is negative in every way	Appears beneficial in every way

NTP: Their characteristics are opposites.
WALLACE: True. And their differences go much further. In or out of cards, alert or knowledgeable opponents can usually detect traditional cheating—unless the cheater has acquired great classical skill through years of laborious practice and experience. Even then, the expert cheater must execute each maneuver perfectly, every time, putting him under great pressure. Thus, if he makes one slip or one wrong move, the traditional cheater becomes obviously guilty once caught, leaving him to face the consequences. That fear of being caught haunts most traditional cheaters and overwhelms countless potential cheaters.

By contrast, Neo-Tech requires little or no skill. And the Neo-Tech man's techniques are invisible. So even if suspected, he can never be accused—his tactics actually eliminate any suspicion. Indeed, he can always avoid the consequences because he can never be caught *flagrante delicto* or "in the act". In addition, he can use Neo-Tech honestly for both defense and profit. ...The Neo-Tech man works in relaxed harmony with his natural characteristics.

NTP: Is that what makes Neo-Tech so easy and safe?
WALLACE: Yes, but in addition, Neo-Tech is easy because its techniques arise from the essence of all shrewd winning. Neo-Tech is so subtle that no one can ever prove a person is using its techniques. And once a person understands those techniques, he will be able to safely and easily beat any opponent. That's why the Neo-Tech man will flourish.

NTP: Who exactly is the Neo-Tech man?
WALLACE: He's a man of power—a man who cannot lose. He can extract anyone's money at will. The Neo-Tech man can control anyone in any game. But far more importantly, he can control anyone unknowledgeable about Neo-Tech, in or out of games, men or women.

NTP: What actually makes him so effective?
WALLACE: The Neo-Tech man has the power to render others helpless and even wipe them out, but he wisely chooses to use just enough of his power to give him unbeatable casino-like advantages in all endeavors. His Neo-Tech maneuvers are so subtle that they can be executed with casual confidence. His hidden techniques let him win consistently and comfortably—year after year, decade after decade. Eventually, Neo-Tech men and women will quietly rule everywhere.

NTP: Can I cash in on Neo-Tech in cards?
WALLACE: Anyone can quickly become a player who cannot lose. Through Neo-Tech techniques, an average player increases his advantage so greatly that he can break most games at will. He can win fast—very fast—in poker, blackjack, bridge, and gin. But he usually avoids winning too fast in order to extract long-term maximum money from opponents. He fears no opponents, not even cheaters. He can quickly impoverish them, or anyone else he wants; and they'll never know what hit them. He can immediately and consistently acquire large chunks of money, $2,000, $10,000, or more in a single day, repeatedly. ...But much more profitable than using Neo-Tech in cards is using Neo-Tech in the real world.

NTP: How can I profit from Neo-Tech in the real world?
WALLACE: A person can use Neo-Tech to immediately gain advantages needed to prosper in business and in personal relationships. Additionally, he can never be taken advantage of again in any business transaction or personal contact; his Neo-Tech knowledge protects him. Neo-Tech arms him with a deadly sword and a sturdy shield. Not only is the Neo-Tech knowledge the best insurance policy anyone could own, but within days that person can possess the power to acquire large blocks of money. He quickly gains the power to make more money in a week than most people make in a full year without knowing of Neo-Tech. Indeed, he finds lifelong security and strength in Neo-Tech. And especially because of the little time needed to learn its techniques, Neo-Tech would be anyone's most valuable investment for the 80's. ...I'm going to show you a chart that demonstrates how a person gains profit and power from Neo-Tech in the real world where it really counts.

Dr. Wallace's Chart #2
NEO-TECH DELIVERS PROFITS AND POWER
by teaching...

In Cards	*In the Real World*
How to become an unbeatable winner	How to gain advantages needed for financial and social success
How to command winnings	How to command profits and respect
How to control any player, game, or even a network of games	How to control business deals and emotional situations to acquire money and power
How to quickly wipe out opponents	How to subjugate a business or personal adversary
How to win fast	How to quickly profit through specific business actions or personal relationships
How to slowly drain opponents, game after game	How to gain long-range strategic advantages that allow one to win in business or personal situations, year after year
How to extract maximum money from opponents	How to make the highest possible profit in business and maximum satisfaction in personal or social life
How to easily detect, reject, or beat cheaters (without any hassle)...how to destroy cheaters	How to easily detect, reject, or beat dishonestly in business or personal realtionships...how to dismiss or punish people who hurt you

(chart continued on page 3)

How to gain a substantial income, year after year	How to become successful in business and personal life by using Neo-Tech to find permanent security
How to profit from the spreading of Neo-Tech	How to be successful among the growing fraternity of Neo-Tech practitioners

NTP: Your chart is saying that Neo-Tech gives any ordinary person control over almost everyone, coming or going.
WALLACE That's right. Neo-Tech transfers money and prestige from the uninformed to the informed. Those informed can automatically take control of most situations involving money and power. Incidentally, that's why Neo-Tech will spread so fast.

NTP: And exactly how will Neo-Tech spread?
WALLACE: Neo-Tech sharply reduces the time and effort to profit consistently. Within days after gaining this knowledge, people can safely bankrupt opponents—or slowly profit from them, week after week. People can immediately extract money and prestige from any winning situation...from any card game—from the easiest Friday-night game to the toughest professional game; from any business endeavor—from dealing with the boss to the biggest oil deal; from any relationship—from gaining respect of peers to inducing love from a partner. Yet, no one suspects the Neo-Tech man or woman. Within a week, an ordinary person can become a professional Neo-Tech practitioner. Naturally, as people gain this knowledge, they will immediately begin using its techniques because they are irresistibly easy, yet completely potent. Thus, as people find out about Neo-Tech, it will automatically spread throughout the world. ...Neo-Tech could become the most important discovery since the Industrial Revolution.

Part II

THE NEO-TECH DISCOVERY

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Neo-Tech was unveiled in 1980 by Dr. Frank R. Wallace; his discovery is truly an unbeatable weapon. To begin with, Neo-Tech shows how anyone can safely and easily win in any card game involving money.

Listen to what a professional cardplayer says about Neo-Tech:

For the first time, good players need to worry about losing to less skilled players. In fact, all players unaware of Neo-Tech are in financial danger. A band of Young Turks has suddenly appeared. They understand Neo-Tech. With that understanding, they can invade any card table to drain the cash. And each player, no matter how skilled or intelligent, is gradually relieved of his money while remaining oblivious to what is happening. ...Neo-Tech players do not lose.

But cards is only one small area that Neo-Tech applies. Neo-Tech is a new, all inclusive catalyst to profits that can be used in *any* money situation, including business.

Now listen to a West-coast businessman:

Imagine if concepts were available that would enable anyone — without the help or knowledge of others — to quickly build capital, domination, and power. Is that only a fantasy of those seeking easy money and mastery over others? Well, that fantasy has become real through Neo-Tech. With Neo-Tech, amateurs quietly beat professionals; losers become winners. With Neo-Tech, the little man discovers the well-hidden secrets of the big man. He can at last control the big man.

As a former professional poker player and author of the world's best selling poker manual, Dr. Wallace first became aware of Neo-Tech through poker. In 1976, while researching and writing an addendum about casino and club games for his Poker Manual, Frank Wallace through his world-renowned expertise ferreted out an unbeatable, seemingly innocent approach being used by certain professionals in high-stake games. Wallace was detecting the beginnings of Neo-Tech used in cards.

For some time prior to Wallace's initial confrontation with those unbeatable players, a co-worker of Wallace was researching similar concepts used by unbeatable professional players in California. For many months following that initial confrontation, Wallace and two co-workers uncovered one step at a time the full power of Neo-Tech, which became evermore meaningful as Wallace broke through to discover a whole new realm of much more powerful concepts than those used in cards. Those valuable concepts applied to everyday situations—where power makes an enormous difference—in business, social situations, and all other competitive situations. Below are informal summary notes taken from Wallace's personal diary during his research:

Dr. Wallace's Confidential Notes

July 1976

I've discovered the never-before revealed nature of effortless winning while playing poker. This discovery purges the false notions about effortless winning in cards and eliminates its mystical aura. While identifying the origins of that knowledge, I grasped its powerful nature.

I feel an addicting power as I begin to do the seemingly impossible. With ease I can make maneuvers to beat all opponents. The techniques come from a new knowledge. ...I've named this knowledge, *Neocheating.*

August 1976

Neocheating is something new—something exciting. The quickness with which I'm learning to acquire winning hands for myself overwhelms me. I feel uneasy about learning to win so effortlessly and quickly—all in a few days. With this lethal knowledge, think what a person could do to his opponents in a matter of days. How much money have I already lost to Neocheaters? I know now that an expanding group of unbeatable professional poker players are Neocheaters.

September 1976

Neocheating can be executed in peace and without the knowledge of others. I've discovered effective maneuvers for controlling every outcome of every hand. Neocheating is almost too easy and safe, yet it is the most potent form of winning in any card game. Indeed, the simpler and subtler the technique, the easier and safer and, therefore, the more effective it is.

I've discovered easy ways to nullify moves made by opponents. I'm struck by the importance of understanding Neocheating. I need that understanding to protect myself and prosper in situations involving money. Tense with anticipation, I sense that this new knowledge could be incredibly valuable beyond the card tables.

October 1976

I'm glad to be discovering Neocheating before my opponents do. Already I have the knowledge to quietly beat even the most skilled and experienced opponents. This knowledge allows everyday players to control opponents at will. But this knowledge reveals something more—something extraordinary. I'm discovering how to effectively defend and, for the first time, casually beat all cheaters from crude amateurs to highly skilled cardsharps. By being able to beat the most skilled cheaters, even Neocheaters (the most powerful players in the world), I know I can use this knowledge to beat any player. Indeed, this new power promptly defeats all cheating schemes not only in games, but in any situation. Yet, only those with this knowledge can protect themselves. ...Should I make this knowledge known to others? I'm somewhat hesitant, a little afraid.

I know that this discovery will someday spread throughout the world. I know that Neocheating will invade all card games as I'm discovering more and more invisible techniques that deliver unbeatable advantages in poker, blackjack, and other games.

In thinking more deeply of how the concepts of poker apply to life, I'm grasping how the concepts of Neocheating can be used to gain easy money and power in business, the professions, and government. ...I've named this knowledge when used beyond cards, *Neo-Tech.*

November 1976

Neo-Tech is growing into something momentous—something almost frightening. The quickness with which I'm learning to apply Neo-Tech concepts to business and personal relationships disturbs me. With this knowledge, what could a person do in the real world—without the boundaries of a card game? Eerily I'm drawn to Neo-Tech's power. How much have others profited by secretly using Neo-Tech? How much have I already lost to them?

Who is the Neo-Tech practitioner? I feel my heart pounding. He is a new breed of person who will soon rule the card tables and perhaps the world. A chill spreads over me...the closer uninformed people observe a Neo-Tech man, the more assured they become of his honesty. The Neo-Tech man appears as a most trusting person. But he knows exactly how to win. He links his knowledge to the Maximum-Win Approach. The Neo-Tech man creates advantages that remain unnoticeable to his opponents while delivering maximum long-range profits to himself. Quietly he applies his power in small strategic doses to gain unsuspicious, casino-like advantages, keeping everyone happy as he steadily profits. Thus, the Neo-Tech practitioner is impossible to catch in the act and is hard to avoid. With his subtle yet unbeatable advantages, he can comfortably and *legally* control all aspect of life.

December 1976

Is Neocheating becoming a monster through Neo-Tech? Neocheating *in* cards involves gaining easy money and prestige over opponents through techniques that meet two criteria: (1) easy to execute, and (2) invisible or undetectable. Neocheating *outside* cards involves gaining easy advantages and power over others through combinations of techniques that also meet two criteria: (1) easy to execute, and (2) not vulnerable to detection or assailable as dishonest. Once those two criteria are established, Neocheating galvanizes to life through formats that can then be established for almost any situation. With such formats, a person not only captures unbeatable advantages over others, but commands shortcuts to profits and power. I'm realizing how many of the most wealthy, powerful, and admired people today consistently use Neocheating formats without ever realizing it—without ever being suspected. I call those people Master Neo-Tech practitioners. They acquire extreme power and wealth such as trusted heads of states, powerful political leaders, charismatic idols, famous religious leaders, certain prosperous businessmen, international bankers, many of the best-known TV commentators, key journalists, influential editorial writers, Hollywood actors, many well-known authors, certain prestigious professors, highly visible environmentalists and consumer advocates, politically or socially oriented scientists, and many more of the most powerful people in the world. By the mid 80's, essentially every ordinary person who becomes wealthy or powerful in any field will have used this discovery. Such people will eventually control the uninformed everywhere. I've got to think about that a lot more.

Trying to fathom this discovery, I've found something further—something critical—I've found another way to use this knowledge: With the Neo-Tech knowledge, a person can sense Neocheating—know when it is occurring (but never can prove it). And then with special countermeasures, a person can win in the presence of a Neocheater in any situation (private or public) against any person (friend or stranger) of any skill (amateur or professional) in every area of life (cards, business, or personal). And if an ordinary person can use the Neo-Tech knowledge to win in the presence of Neocheaters—potentially the most powerful people in the world—then he can win in the presence of anyone.

January 1977

Able only to concentrate on my creation, I'm realizing the very significant differences between Neocheating and Neo-Tech: In or out of card games, Neocheating commands easy profits obtained at the expense of others. But Neo-Tech commands profits obtained while benefiting or *ostensibly* benefiting others. Moreover two opposite ap-

proaches exist to Neo-Tech: Black-hat Neo-Tech versus White-hat Neo-Tech—a subtle but crucial distinction for survival.

I feel an accelerating pull towards power as I continually discover new ways that anyone can *honestly* but effectively apply this new knowledge to any winning situation—in cards, business, politics, personal and social life. This quantum-leap breakthrough will let anyone profit constantly, all the rest of his life.

February 1977

Everyday, I'm learning more and more to apply Neo-Tech in order to control all areas of life. I'm discovering how to profit everywhere. Neo-Tech truly helps a person achieve confidence and happiness while removing the financial and social pressures.

March 1977

The application of Neo-Tech to everyday business and personal relationships is becoming increasingly real. In fact, Neo-Tech can be used in any confrontation involving two or more people. But anyone who crosses the Neo-Tech man's path is in silent danger. The Neo-Tech man can financially and emotionally control whomever he desires. The strength and dimensions of Neo-Tech with its infinite applications is growing far beyond all my previous thoughts and imagination. In fact it is growing out of control.

April 1977

What have I created here? Has Neo-Tech become permanently applicable to all business and personal relationships? Yet, here lies the greatest value of the Neo-Tech Discovery. It is not just an inspirational, temporary, self-help type value or something merely uplifting; Neo-Tech is a permanent value that will stay and grow with a person for the rest of his life. People can now use Neo-Tech to live happier, more profitable lives.

May 1977

I'm no longer worrying about declining life styles. Instead I'm realizing how the Neo-Tech Discovery can lead anyone to a personal renaissance. Would that eventually mean a world-wide renaissance? ...Could the destiny of our world depend on others understanding the concepts of Neocheating and the crucial value of the Neo-Tech Discovery?

December 1980

After four years of research and writing, I've come to realize that revealing Neo-Tech could obliterate external authority in this decade.

During that January NTP interview with Frank Wallace, these final questions were asked:

NTP: What will Neocheating do to our card games...to America's favorite past time?

WALLACE: Neocheating meets certain criteria: easy and safe—but powerful. Because of that, Neocheating will eventually become known around the world. Cardplayers from the Las Vegas professional to the neighborhood amateur will increasingly use Neocheating. It is contagious and will spread like an epidemic. Neocheating is today spreading throughout poker games in Nevada casinos and California card clubs. Furthermore, Neocheating is already invading private games played for money. The Neocheating revolution will spread quietly but relentlessly, leaving no game or player—or, most seriously, no niche of life immune from attack.

NTP: What will happen to my weekly poker game?

WALLACE: A Neocheater could promptly ruin your game. Or he could keep you and your friends happy while draining everyone slowly, each week. He will never be suspected as he quietly rules his uninformed opponents. And don't think you can spot the Neocheater—you can't. The constant, invisible advantages obtained by him appear completely natural, yet are unbeatable. Only those informed can protect themselves and their games. But gaming is the least of our worries. Someday everyone will be affected as this rising menace leaves no one in any area of life safe from attack. ...That is the bad news.

NTP: Why do you want to spread bad news that could ruin a lot of good card games?

WALLACE: True, publicly revealing the techniques of Neocheating will initially cause a Neocheating spree that could create chaos at the card table. But ironically, that knowlege, as it becomes known, will begin to expose and nullify Neocheating. Players no longer need to be helpless or doomed when confronted with Neocheating. Instead, they will be able to turn back all threats of the Neocheating revolution. Moreover, this information could be responsible for the eventual elimination of all cheating. That is the good news. ...But let's get off this subject of cards. You're missing the real importance of Neo-Tech.

NTP: *Okay, so tell me, how does this extend to the real world...to our society?*

WALLACE: Neo-Tech beyond cards also meets the criteria: easy and safe—but powerful. Therefore, Neo-Tech will increasingly be used in all areas by more and more people. And the lives of those people will grow richer. Of those, some will choose to use Neo-Tech concepts to gain enormous power and wealth. Fortunately, however, people knowledgeable of Neo-Tech cannot be drained by Neocheaters. At last the ordinary man, no matter how low on the power scale, can reverse the situation—can with Neo-Tech take away the power from all the Neocheaters who have drained him all his life. That is extremely important since the most powerful external authorities today extract money and power from the masses of unknowledgeable people by Neocheating. For example, essentially every traditionally trusted politician has for years gleaned power by Neocheating the uninformed public without fear of being caught, without suspicion. Indeed, to the extent he is successful is the extent he uses Neocheating. Consider how many of the most successful politicians have for years overly regulated, controlled, and taxed the public—have neocheated the public—for personal power. Their power ploys have created such a jungle of regulations, inefficiencies, and red tape as to hassle busy individuals, cripple creative scientists, and prevent private enterprise from fully developing their productive and technological capacities. That not only diminishes everyone's spirit, but diminishes everyone's standard of living and even prevents the development of cures for diseases such as cancer. More importantly, research on...

NTP: Preventing cures for cancer? That can't be so.

WALLACE: I know from personal experience: As a scientist at Du Pont, I was involved in research that offered a unique approach for the treatment of diseases. One potential approach involved the development of extremely fine fibers impregnated with slowly releasing drugs. If such fibers were injected around cancer tumors, for example, the growth of those encased tumors might be retarded or stopped—to lay harmlessly dormant in their man-made coffins forever. But FDA "scientists" and

other bureaucratic Neocheaters trying to enhance their jobs and glean prestige killed that and many other promising research projects with time-consuming, prohitively expensive, self-serving regulations.

NTP: Wait a minute...that's right. "60 Minutes" recently dealt with something like that. And I read about that kind of thing more and more every day. How can it be stopped?

WALLACE: Today, as Neo-Tech spreads, people in steadily increasing numbers will be able to, for the first time, avoid the harmful ploys of those external authorities. As the masses become informed of Neo-Tech, they will be able to identify and circumvent those master Neo-Tech practitioners who have previously drained them. They will be able to fill their own pockets with profits rather than lining the pockets of others. Politicians and other authorities will now be increasingly understood by the public as more and more people learn about Neo-Tech. I have another chart that demonstrates how most people have unknowingly let their lives be drained by those external authorities. This information also shows how the informed will financially and emotionally benefit by breaking free of those master Neo-Tech practitioners. Indeed, everyone informed of Neo-Tech will have the tools not only to break free but to profit from the decline of external authority.

(See Wallace's Chart #3 on the back page)

NTP: Your chart uncovers things I was never aware of. It's bad enough that they conceal their ripped-off power, but it's rotten how they're doing it by draining me, you, and everyone else...those bastards. We're the ones who really count. We're the ones who hold the power on this planet.

WALLACE: That's why they never told us their secret, because we would take away their power that is rightfully ours. You, like everyone else, never really could have known the truth behind external authorities without understanding Neo-Tech. The actions of such external authorities are usually based on Neocheating—on undetectable routes to easy money or power at the expense of others. Like the Neocheater in cards, the external authorities are confident and relaxed; they control their surroundings; they make their uninformed opponents —the masses—happy; they work in harmony with their natural characteristics; and they know they can never be caught. Furthermore, they ostensibly benefit their victims by giving them guidance, leadership, or doctrines to follow; making those victims easy to control. But publicly revealing Neo-Tech exposes the Neocheater's essence, which could lead to the eventual elimination of external authority. ...That is the best news.

NTP: Now I can understand how the Neo-Tech Discovery will eventually benefit mankind. Can you give more specifics about these benefits?

WALLACE: One major benefit of understanding Neo-Tech is the immediate stopping of the pain and harm caused by certain everyday acquaintances straight up to the big shots who surround everyone in almost every area of life. Neo-Tech can abruptly stop the pain and harm caused by being beaten at cards, cheated by one's spouse, manipulated by parents, drained by bosses, gypped by merchants, used by friends, abused by strangers...Neo-Tech can put an end to any situation that hurts you as well as those situations that have constantly hindered you from becoming the person you've always dreamed of—the person you were meant to be.

Yet, perhaps the most startling benefit of understanding Neo-Tech occurs when viewing network TV news: With knowledge of Neo-Tech, a person becomes acutely aware of the steady stream of powerful Neocheaters—TV commentators, news editors, sociologists, politicians, educators, nutritionists, faddists, mystical gurus, and religious proselytizers—who constantly gain advantages from their followers in countless subtle ways. With the concepts of Neo-Tech, however, a person not only can nullify those Neocheaters, but can transfer their power from them to himself with honest, effective Neo-Tech techniques. He no longer needs to bow to or idolize the man-on-the-hill. Neo-Tech allows ordinary people to be proud of themselves.

NTP: Yes, I'm really feeling that. Can you restate what you're saying to bring me back to earth?

WALLACE: The Neo-Tech concepts are not only easy, practical tools for profits, but are crucial tools for thinking. Those concepts allow people to identify and nullify Neocheaters who drain everyone's life daily. Without understanding Neo-Tech, a person has no way of thinking about Neocheaters or of ever realizing how each day Neocheaters constantly extract values from unknowledgeable people without ever being suspected. Lacking those thinking tools to identify Neocheaters, people can only suffer in silent frustration as their lives and dreams are quietly drained away.

The concepts of Neocheating as revealed by the Neo-Tech Discovery are among the most powerful thinking tools for happiness; they are the new cutting edge for future prosperity.

NTP: That's pretty profound. I'll have to give that some deep thought.

WALLACE: Do that. For the more one thinks about Neo-Tech the more he will profit from it.

NTP: What if I want to profit more and more? What if I get a little greedy like J.R.? What if I want to become the man-on-the-hill now—through Neo-Tech?

WALLACE: Well, as the first step, you or anyone can directly profit by immediately collecting the Neo-Tech advantages available in any winning situation. And almost anyone can use Neo-Tech to control other people—control even the most alert, sharpest people. Master Neo-Tech practitioners fully apply the Neo-Tech concepts to take maximum advantage of any situation to acquire extreme power and wealth. Anyone can use the Neo-Tech concepts to quickly gain advantages or profits. Indeed, to any chosen extent, anyone can directly apply Neo-Tech to his immediate and long-term needs in business, personal life, and social situations...the applications of Neo-Tech are endless.

Just acquiring the knowledge of Neo-Tech will let ordinary people know they can reach their goals quickly and easily. Everyone will experience a mounting sense of power and excitement while learning about Neo-Tech. Indeed, through the Neo-Tech Discovery, you too can achieve the great strength in your career or field of interest by becoming an honest Neo-Tech practitioner. In addition, you will forever be immune to Neocheaters and most harmful situations. And, of course, if you ever decide to play cards seriously, you could leave any game a consistent loser, acquire the Neo-Tech information, and return never to lose again.

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Give this NTP News Report to your family and friends. This information is invaluable and unavailable elsewhere. And the more this information spreads, the more you, your family, and your friends will benefit.

Until now, information about Neo-Tech had been unavailable. Recently, however, Dr. Frank R. Wallace and his co-workers completed a five-year research project on Neo-Tech and prepared a comprehensive 632-page Information Package that fully reveals all facets of the Neo-Tech Discovery. That Information Package reduces the techniques of Neo-Tech into powerful but surprisingly easy formats that anyone can execute in almost any situation.

But the Information Package does not stop there: Dr. Wallace and his co-workers catapulted their findings into even more dramatic discoveries—ironclad defenses and powerful counterattacks that not only let you and your friends protect yourselves, but let you firmly control others. Wallace's double-barreled discoveries are presented with such clarity and step-by-step detail that you can immediately gain honest profits from most situations as well as forever protect yourself from being beaten by others. But those without the Information Package will never know what is happening. They will always be at the mercy of those knowledgeable about Neo-Tech.

Now, long before the public knows about this information, you can acquire the complete 632-page Information Package (178-page Neo-Tech Part I Information Package for becoming unbeatable in cards, combined with the 454-page Neo-Tech II Information Package for becoming unbeatable in any situation beyond cards). Both Part I and Part II describe every step and every situation in complete detail. You can acquire this Package* by ordering directly from I & O Publishing Company at the order-processing address shown below. ...Here are a few responses supplied to NTP by I & O Publishing Company from the first batch of Neo-Tech Information Packages:

Neo-Tech in cards: "I really thank you for NEO-TECH. Those who buy this information will win the price of it in the first pot." V.B., TX

"I wanted to be one of the first to congratulate you on NEO-TECH. Things I thought were impossible are now impossible for me not to do. In just three short practice games with only a 30¢ maximum bet, I've recouped more than the price of the package." J.M., NY

Neo-Tech beyond cards: "I never would have believed, until I read NEO-TECH, that so much could be going on of which I was unaware." D.M., CA

"At the core of NEO-TECH is the clear delineation between winners and losers. And it saddens me to observe how many people lose when it is all so unnecessary." M.V., WI

"This work is chock full of valuable information that will enable anyone to win." M.K., NY

"My business has almost doubled in just this short time. It's amazing!" Anonymous, TX

"The purchase price of Neo-Tech has been returned to me, directly or indirectly, literally thousands of times." H.T., TX

"The most valuable information I have ever read. One of the best investments I have ever made." L.R.W., CA

"I want to congratulate Dr. Wallace on his valuable work. It is the most valuable work ever published. My girlfriend and I now enjoy life to the fullest." B.S., AZ

"As a man in his sixties, I have found your work as priceless. It opens a whole new world for me. I now look forward to many happy years that might have escaped me if not for your fine work." P.H.S., CA

Also, impressed and moved by Dr. Wallace's dedication of his Neo-Tech Discovery, NTP gained permission to quote his dedication printed on the first page of Neo-Tech II (altered slightly for editorial reasons):

DEDICATED TO THE PRODUCTIVE MIDDLE CLASS

You are the good and the innocent. Yet, you have been defrauded throughout history of the wealth, pleasures, and happiness you have earned. You have been victimized by the politicians, mystics, and pseudo intellectuals who live off of your efforts, repaying you only with illusions, unearned guilt, and demands for sacrifice. In your innocence, you have unknowingly been drained by Neocheaters. You have never realized that you, not they, hold the power to gain wealth and control life. Now, at last, you can break free from their destructive Neocheating. With Neo-Tech, you can take what all productive human beings rightfully earn but seldom take ... a guiltless life of love, pleasure, and wealth.

A concerned Dr. Wallace generously gave us his confidential notes about his Neo-Tech discovery for our readers' benefit. He asked in return that all those who have already experienced Neo-Tech or have encountered Neocheaters to contact him about their experiences through I & O Publishing Company. Your feedback will help his continuing research into this and related areas.

To receive the 632-page Neo-Tech Information Package, send your check, money order, or credit card number (Visa, MC, AE, DL, and CB accepted) for $69.95 (manuscript copy) or $100.00 (bound copy) to:

I & O Publishing Company, Inc.
P. O. Box 906
Boulder City, Nevada 89005

(For fastest service, I & O suggests using the above order-processing address rather than their office address in California or Delaware.)

I & O Publishing Company invites NTP readers to receive one of their lower-cost numbered manuscript copies, which contain exactly the same information, photographs, and appendicies as the commercial, hundred dollar bound document, but costs only sixty-nine dollars and ninety-five cents, complete and post-paid. These lower-cost Neo-Tech manuscripts have a limited 30-day availability; they are numbered and packaged as printed pages secured together. Numbered manuscript copies of important documents in any field should be held for future price appreciation. In fact, I & O has a standing offer to purchase original, numbered manuscripts in mint, collectible condition anytime after December 1983, for the original price. I & O also reports that numbered manuscript copies are no longer available in Nevada, Delaware, Maine and Vermont.

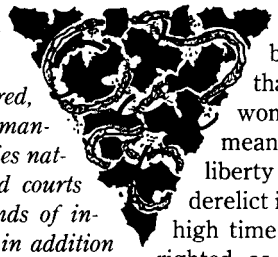
(702) 293-5676

Wallace's Chart #3

EXAMPLES OF MASTER NEO-TECH PRACTITIONERS (which anyone can now become)	NEOCHEATING AGAINST THE UNINFORMED EASY TO EXECUTE	UNASSAILABLE (which anyone can now use)	NEO-TECH FORMATS FOR THE INFORMED (which anyone can now use to break the masters)
Cards: Unbeatable Neocheater.	Neocheating maneuvers require little skill.	Neocheating maneuvers are so subtle they are invisible.	**Cards:** Knowing about Neo-Tech allows instant identification of Neocheaters. That knowledge allows the informed to avoid, nullify, or even beat Neocheaters.
Business: Many prosperous executives, stock and real estate brokers, lawyers, J.R. Ewings.	Guide customers or clients into being controlled by superior authority or feelings of trust.	Appear to sincerely work for customer's best interest.	**Business:** Identifying black-hat Neo-Tech practitioners and understanding their techniques provides valuable knowledge that eliminates losses and delivers larger profits by avoiding erroneous assessments and costly decisions. Through white-hat techniques, the little man can quietly profit from any wheeler-dealer.
Banking: Wealthy international bankers who gain advantages and profits through governments. Prominent trilateralists.	Gain unearned money through manipulating government funds and favors.	Nothing is illegal about their manipulations.	**Banking:** Knowing how to handle the black-hat Neo-Tech man (especially when he offers an attractive-appearing proposal) provides long-range benefits and peace of mind by avoiding future losses or traps. Also, lucrative short-range gains are available by collecting the set-up inducements from Neo-Tech practitioners then pulling away at the right moment.
Politics: The most powerful and revered politicians, bureaucrats, and government agents (e.g., I.R.S., regulatory agents).	Live by actions that require little or no productive effort.	Traditionally accepted as good or at least necessary.	**Politics:** Knowing government black-hat Neo-Tech techniques provides powerful tools not only for protection, but for profiting from the actions of politicians and bureaucrats, who extract power and money from productive people. Also valuable for reducing tax liabilities and big government.
Education: Certain prestigious professors, teachers, well-known nutritionists who build careers through ideas based on empiricisms, myths, and mysticism. Intellectual elitists.	Easily manipulate students or followers through the power of authoritarian teaching positions.	The uninformed cannot identify that educators can easily use god-like authority to build careers and egos.	**Education:** Knowing the black-hat Neo-Tech practices of certain educators lets students take away the innocent-appearing, ego-enhancing or career-advancing maneuvers of those educators who mislead their students or followers. Acquire much better education.
Mysticism: Many well-known mystical and religious leaders. Inspiring evangelists, Elmer Gantrys.	Requires little effort to extract a respectable living from producers.	They are often blindly accepted as good and needed. Offer simplistic approaches to "truth"	**Mysticism:** Knowledge of Neo-Tech reveals the essence of mysticism... how most mystical leaders are expert Neocheaters who gain followers by persuading others to accept their doctrines through their influences, teachings, and spurious testimonials. Neo-Tech knowledge is necessary for avoiding the draining effects of mysticism; for gaining maximum happiness and profits from life.
Social: All Don Juans and most Casanovas. Smooth operaters.	Control partners through vulnerable emotions.	Others cannot prove insincerity.	**Social:** The Neo-Tech Discovery provides a rapid sorting mechanism for discarding destructive relationships and for winning beneficial relationships that deliver happiness.
Media: Many of the best-known TV commentators, journalists, editorial writers, performers, authors, Hollywood actors.	Create influence by casually twisting facts to guide trusting followers.	Others cannot identify the immorality of such authors, actors, newscasters.	**Media:** Identification of Neocheaters allows an accurate evaluation of literature, TV shows, news programing, media events, movies,...permitting more accurate and profitable decisions. Understanding Neo-Tech lets one quickly identify the 180-degree inversion of objective values by bad business practices, political or social demagoguery, and mystical illusions.
Science: Chic environmentalists, Naderites, FDA "scientists", and other politically or socially oriented "scientists" who build careers by using facts out of context.	Gain easy prestige with comfortable income and security.	Appear to be acting in society's best interest when actually misusing facts to generate profit or prestige.	**Science:** Knowledge of Neo-Tech allows one to reject, for example, most warnings by government-funded "scientists" of illusionary health and safety risks that result in profit-draining restrictions and regulations. Neocheating with science damages the productive segments of life to diminish everyone's well-being. ...Knowledge of Neo-Tech permits valid value judgments and delivers peace of mind that most scientifically-oriented Neocheaters constantly seek to undermine.

The concept of viability at 24 weeks only makes sense if the heart is the central organ of human life. In fact, it is the brain that should be so regarded.

horrendous consequences. Newman wrote in an article in September 1979:



If a Human Life Amendment made fetal life sacred, any abortion could thus be considered murder or manslaughter. Since 15 to 25 percent of all pregnancies naturally end in miscarriage, our already crowded courts would be required to hold hundreds of thousands of inquests to determine the cause of "death." Since in addition miscarriage is by its nature a private occurrence, we might even find the traditional presumption of innocence reversed: a high percentage of formerly pregnant women could become suspect as murderers and might be criminally charged if they could not prove otherwise. Women might even be arrested if it were feared that there was probable cause to believe that they might try to obtain an abortion. Suspicion of pregnancy might be used to justify forced examination. Pregnancy in some cases might result in incarceration or straitjacketing.

These are a few of the consequences of legislation outlawing abortion. Nor would they result only from a perverted misapplication of the law; they would be necessary for its *enforcement.* Nazi-like, fascistic control over the lives of women would be the outcome of such legislation.

FOR FUNDAMENTALS

The antiabortionists are not the only ones to run into serious trouble once they abandon their fundamental argument and argue instead in terms of consequences. The prochoice position fares no better. Claims often heard on the prochoice side may all be true, but without a fundamental argument to give them support, they fall to the criticisms of the antiabortionists.

Here are a few examples:

- "Abortion is a humane remedy for the problem of unwanted children being brought into the world." The antiabortion reply: These children may be unwanted by their parents, but there are many other couples who would love to have them.
- "Don't women have the sole right to control what happens to their bodies and thus have the right to seek an abortion?" Reply: True enough, a woman does have the sole right to control *her* body; but she has no right to control *her child's body* by choosing to terminate its life.
- "How can a man, who does not have to bear an unwanted child, dictate to a woman that she must do so?" Reply: President Lincoln didn't himself treat other human beings as though they were nonhuman, yet he validly argued for abolition of slavery against those who *did* treat them in this manner. The issue is not whether Lincoln could or couldn't have personally experienced slave ownership; the issue is human rights, which slavery violates. Ditto abortion.
- "For hundreds of years the law never recognized the fetus as a human being, worthy of legal protection. The abortion laws of the 19th and 20th centuries were passed, not to protect the fetus's right to life, but as public health laws, because the medical establishment was concerned that the abortion operation was too dangerous to the woman." Reply: What you say is true, but this doesn't mean that the failure to recognize the slave's right to liberty prior to abolition was justified. The law has been derelict in protecting certain rights for far too long, and it is high time that sensitive people demand that the wrong be righted, as did the abolitionists of the 1800s.
- "Many of us believe seriously and sincerely, as a matter of our moral or religious convictions, that human life begins not at conception but at birth, or at viability at the earliest. What right do you have to force *your* moral or religious views upon us?" Reply: The beginning of human life is not determinable by religion or morality but by observable biological fact. It is not a matter of competing beliefs but of scientific fact: Biologists agree that life begins at conception; the union of the egg and sperm cells result in a new organism. Killing such an organism is murder.

These quite plausible prochoice arguments can be demolished by antiabortion objections because they don't have any fundamentals behind them. What *is* it to be a human being? What is the *evidence* about when a human being comes into existence? These questions are sidestepped. Yet it is on this fundamental ground that the prochoice people must take their stand.

Much harm has resulted in the abortion debate from a rejection of reason and science. The religious community opposes abortion by appeal to the notion, which cannot be demonstrated, that the soul enters the fetus at conception. And many prochoice advocates favor abortion by appeal to their very strong feelings, say about women's control over their bodies. So advocates and opponents of abortion legislation end up on *fundamentally* the same side, wherein the available facts and the need to define key terms are ignored.

It is unlikely that what I have said here represents the last word on the abortion controversy. However, its principal argument, and the other considerations introduced along with it, should help to polarize the many-faceted debate by reducing it to two clear-cut factions: those who reject reason and reality and those who accept these as the best route to understanding and guiding our world and our conduct. These are, in fact, the only two fundamental positions on the abortion controversy. This polarization, more than anything else, may enable us to discuss the issue clearly enough to resolve it once and for all in a way acceptable to all reasonable men and women. ◻

Roger Bissell is a professional musician and a self-taught philosopher. He is chairman of the Nashville Tax Alternatives Committee and has contributed to a number of publications, including the Reason Foundation's journal, Reason Papers, *and the* Individualist. *An earlier version of this article appeared in the* Tennessee Liberty Bell.

Let Them Eat SOCIALISM

A report on Mitterrand's election from REASON's correspondent in France

BY HENRI LePAGE

PARIS—François Mitterrand president! The deepest and most entrenched enemy of the Fifth French Republic sitting in General de Gaulle's office at the Palais de l'Elysée. This is still a shock for many French. And we are now facing a new parliament in which the Socialists and their center-left allies hold a 289-to-202 majority.

How was this possible? In seven years of rule, Giscard d'Estaing lost only two percent of his 1974 national share of the votes—which is not much compared to the 15 percent erosion de Gaulle suffered in the '60s. But it was enough to topple Giscard out of office.

EXPLAINING THE UNEXPECTED

Clearly, many people voted against Giscard—because they did not like his monarchial style—more than they voted in favor of his challenger. Mitterrand ran a very skillful presidential campaign, while Giscard made mistake after mistake. Jacques Chirac's attacks upon his economic balance sheet (though it was not so unfavorable compared to most other European countries) considerably weakened the electoral position of the past president, with the final desertion of about one-third of the Gaullist electorate. All this played some role in the unexpected event of May 10.

More fundamentally, however, I think that Mitterrand's victory is nothing more than the logical outcome of something that has gone largely unnoticed: the slow process of "disinformation" (as Arnaud de Borchgrave and Robert Moss would call it) that gradually took over most French universities and media during the last 15 years.

The swing of Western intellectuals toward leftist and anti-capitalist ideologies has been worldwide, of course. But it has gone much further in France than in any other Western nations because of the peculiarities of the French educational system.

On the one hand, the 1968 student revolt led to a new higher education system in which universities are largely self-managed by faculty members (though 100 percent State-financed). At the same time, the government made a huge financial effort to open new universities, so there was a short-

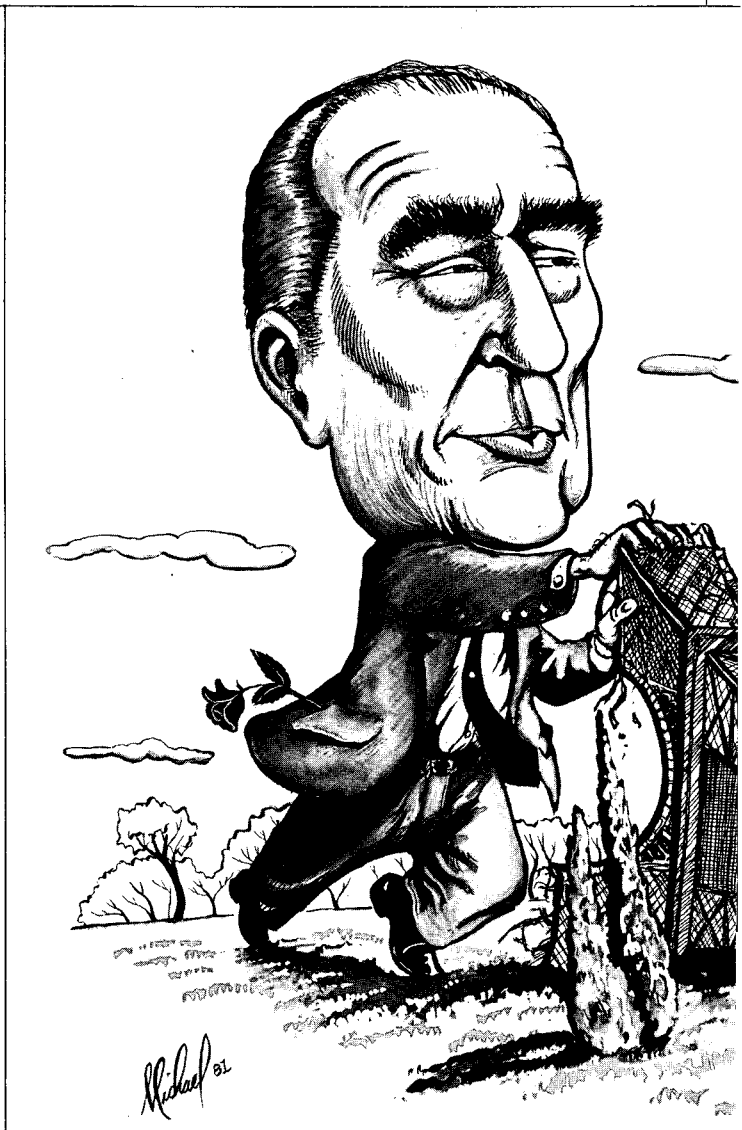
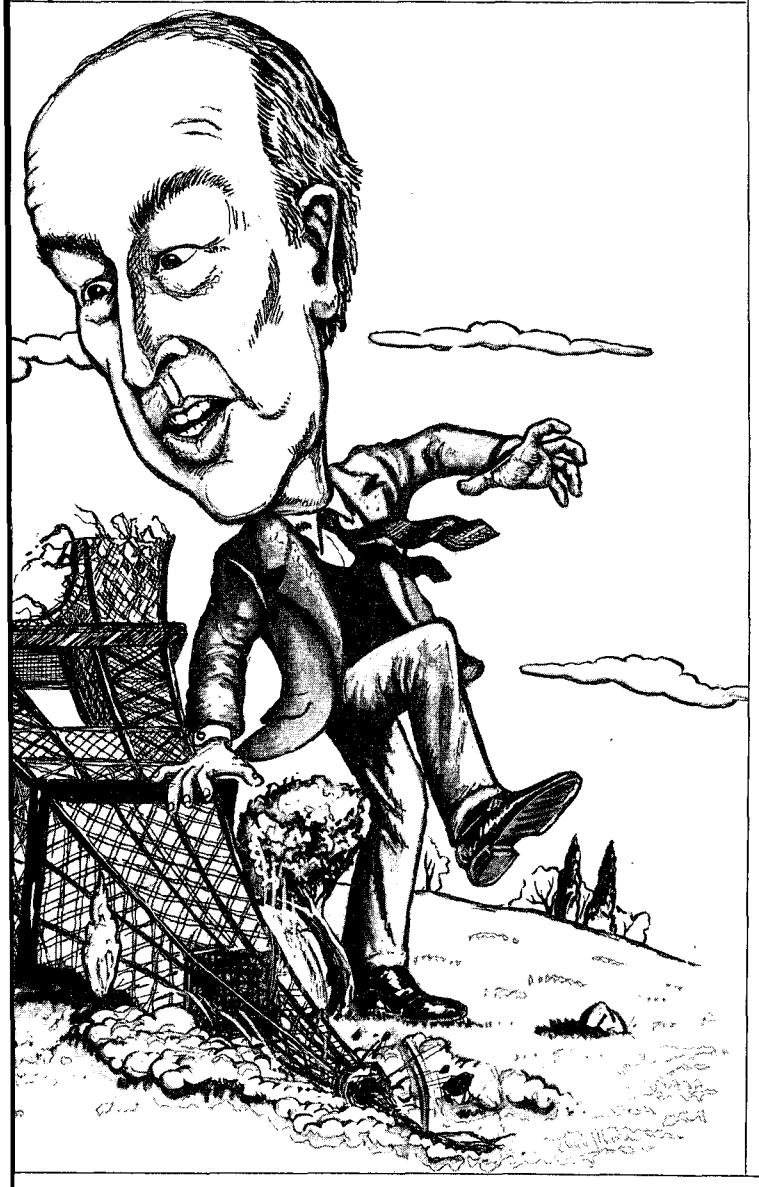


Illustration by Michael Beickel

age of teachers. Who filled it? Those radical and Marxist *contestataires* who were on the barricades in May 1968. Within a few years, without noticing it, the French government succeeded in handing down the control of most key positions in our higher education system and university research to the very same people, whose only motivation is the hatred they harbor against capitalist society.

On the other hand, French lower education is still organized on a very centralized basis, so the Marxisation phenomenon could, without any obstacle, spread down to all levels of our educational system. It spread, first, through the recruiting of young teachers just graduating from the university and, second, through the development of textbooks so completely permeated with Marxist ideology that it is hardly believable.

Of course, there was Solzhenitsyn, the discovery of the harsh Gulag reality, and the "nouveaux philosophes." For four years, Prime Minister Raymond Barre tried with some success to move the French government away from its long-time Colbertist tradition. (Jean-Baptiste Colbert was a 17th-century minister under Louis XIV who used protectionist measures to stimulate French industry and commerce, increased the role of the State in manufacturing, reorganized the French government's financial system, and initiated conscription into the French navy.) And there has been a promising revival of conservative and libertarian ideas (for the first time in his life, the Austrian economist F. A. Hayek was officially invited to Paris last December).



But all this was too recent. Under Giscard, voting rights were extended to youngsters of 18. En masse, they voted left—because many of them are unemployed, but also because that is the way they have been educated since their youngest age. With Sweden, France is the Western country where education has been the most penetrated by egalitarian and collectivist ideologies. The same phenomenon has occurred in the media (see Jean François Revel's *Totalitarian Temptation*).

The economic achievements of the political and industrial leaders of the Fifth Republic have been tremendous. But, despite numerous warnings, they failed to understand that the future of a society depends first and foremost on what happens in the realm of ideas. We now have to pay the price of their benign neglect of intellectual matters.

SOCIALIST PROMISES

So, what next? Two main issues are at stake. The first concerns the future of the French economy in the coming months.

François Mitterrand was elected on a set of promises aimed at reducing unemployment through a private and public spending burst. His plan is to put France back on a four to five percent rate of growth by granting a general increase of the minimum wage and old-age pensions, by hiring 210,000 new civil servants within two years, and by launching an ambitious program of public works and investments—a traditional program of Keynesian demand management that is just nonsense in the present condition of high inflation and an increasing budget deficit, with an economy for which imports are becoming increasingly expensive.

Moreover, the new Socialist administration pledged itself to enact new legislation reducing the official work week to 35 hours (without a wage reduction). Workers will now have a fifth week of holidays paid for by their employers. Full pension rights will be extended to people over 60 instead of 65. Taxes will be reduced for labor-intensive industries, but this concession will be compensated for by the introduction of a new tax on industrial equipment. And so on.

The reaction of the international financial community was not long in coming: Within less than a month of the election the Banque de France had lost about a third of its currency reserves. The stock exchange dipped by 25 percent. Experts now agree that France will experience a 20 percent inflation by the end of the year, with more than two million unemployed. As was usual under the Fourth Republic, the Socialists are to destroy in just a few months the whole capital of international confidence and internal good will built up by the previous administration. François Mitterand and his chief economic advisors hardly understand anything of economics.

It is now very likely that France will experience a major economic crisis within the next 18 months—a crisis that will be marked by a strong decline of the standard of living and that unfortunately will strongly reinforce the existing proclivity of French Socialist leaders to deploy industrial protection against international competition. This will be bad not only for French consumers but also for all of our trading partners.

(Continued on p. 45.)

GOING FOR SOLID GOLD

By Joe Cobb

ON JUNE 4, 1981, a bill was introduced into the House of Representatives that would give Americans choice in an area of their lives firmly controlled by government: the currency in which they buy and sell, make contracts, save for their retirement, and carry out any number of other financial transactions. Introduced by Rep. Daniel Crane (R-Ill.), the Free Market Gold Coinage Act is the latest in a series of bills endeavoring in one way or another to put the US monetary system back on a gold standard.

Advocates of the gold standard in America have made very little progress since the relegalization of gold ownership in 1975 and of gold-clause contracts in 1977. Those measures had managed to repeal President Roosevelt's gold prohibition—but not his fiddling with the gold standard, which culminated in President Nixon's severing of any gold-dollar relationship in 1971. But today, with a sitting president sympathetic to the cause, and a US Gold Commission established to look into the issue, many of those who have long counseled the anti-inflationary virtues of a gold-based monetary system have high hopes.

THE US GOLD COMMISSION was created by a little-noticed provision passed by Congress in 1980. Its 17 members, appointed after President Reagan had taken office, are drawn from Congress, the Federal Reserve Board, the President's Council of Economic Advisors, and the general public, with the Treasury secretary joining in. It is due to issue its report in October. But will it recommend a gold standard?

How to nudge it in that direction was the subject of discussion in late March, as a nine-year-old group called the Committee for Monetary Research and Education held its annual conference at the Arden House retreat of Columbia University. At the concluding session, Howard Segermark, economic counsel to Sen. Jesse Helms (R-S.C.) and a gold maven for as long as anyone can remember, sketched a strategy for influencing the Gold Commission.

A few weeks later, another group initiated another tack in the campaign to bring back gold. At a conference held in the Capitol to explore the gold question, sponsored by Rep. Ron Paul (R-Tex.), the United States Choice-in-Currency Commission was conceived. Suggested by economist and historian Murray Rothbard, it was envisioned as an alternative voice to the official US Gold Commission.

The Choice-in-Currency Commission has a model in the Shadow Open Market Committee created a few years ago by economists Karl Brunner of the University of Rochester and Allan Meltzer of Carnegie-Mellon University. The Shadow Committee's raison d'être is to keep an eye on the Federal Reserve System's Open Market Committee—which pumps money into the US economy and causes inflation or sucks money out of the system and causes recessions—and to prod it to do right by the American people. The Brunner-Meltzer group has become quite influential in monetary policy discussions, even drawing the taciturn Federal Reserve Board into an open debate in April.

In anticipation of a delayed or even negative report from the US Gold Commission, the Choice-in-Currency Commission was conceived to launch a grassroots campaign in favor of freedom of choice in currency. It quickly enlisted the support of Congressman Paul and Lewis Lehrman (see Spotlight, REASON, July), both members of the US Gold Commission.

WHAT'S THE CONNECTION between "choice in currency" and all the traditional, long-standing calls for "putting the United States back on a gold standard"? And what does choice in currency amount to, anyway? Zenith versus Sony versus RCA

Momentum is building to get America back on a gold standard. Now the issue is, Which kind of gold standard?

televisions, or a Rabbit versus a Dodge Omni versus a Chevette—*these* involve consumer choices; but the *money* people put on the line in making those choices . . . ?

Yes, monetary units too could be open to individual choice, suggested F. A. Hayek, venerable head of the Austrian school of economics, in 1975. At a conference sponsored by the New Orleans-based National Committee for Monetary Reform (James Blanchard's one-man organization that had, along with Segermark and Senator Helms, pushed Congress to relegalize gold ownership), Hayek proposed a nearly heretical idea to all the gold bugs in attendance. The issue is not a gold standard, he implied, but letting individuals in a free market exercise freedom of choice in the monetary units they use.

Why, he asked, shouldn't the British, for example, plagued by high rates of inflation in the pound sterling, be permitted to conduct business in London in Swiss francs? Why should there be a monopoly in each nation regarding money? The idea is deceptively subtle. Hayek had discovered—or at least brought to the attention of the gold bugs—the fact that Gresham's Law works *in reverse* when the prices of different monetary units are free to change according to supply and demand.

Old Sir Thomas Gresham served Queen Elizabeth I in the 16th century and is given credit for Gresham's Law: Bad money drives out good money. When silver was cheap and gold was dear, the people would pass silver from hand to hand and keep their gold under the mattresses; when silver became relatively scarce, the gold came into circulation and the silver disappeared into savings and hoarding.

But when Gresham observed this phenomenon, the conversion rate (or price) between gold and silver was fixed by law. Professor Hayek simply observed that bad money does *not* drive out good when monetary prices fluctuate. If different types of paper money were put into mutual competition, he suggested, people could refuse bad money (money with declining purchasing power) and insist upon good money in setting prices or holding cash balances. The less-preferred units would disappear if nobody wanted to use them in commerce, and fear of this result would serve as a restraint upon inflation-prone central banks.

So now there were not just one but two proposals for ending the Fed's devastation of the economy: impose the discipline of gold, or impose the discipline of consumer choice. When the Choice-in-Currency Commission made its appearance in the spring of 1981, it planted one foot in each camp. It would call for Hayek's classic principle of competition, but that competition in the domestic US market would be between Federal Reserve dollars and *gold* coins.

WHY NOT JUST STICK WITH the traditional idea of a gold standard? It would try to "make the dollar as good as gold" by fixing the conversion rate between dollars and gold. To maintain the parity, the Fed would be required to hold the supply of dollars proportional to the Treasury's gold reserves—and everyone knows how likely the Fed is to follow such instructions.

Moreover, this kind of proposal has faced political difficulties because it is all-or-nothing: in accepting the classic gold standard, people must agree to a particular conversion rate. Should it be 35 dollars to one ounce of gold? 450 to one? 600 to one? Should it *ever* be changed? Certainly the economists have been unable to agree on an appropriate ratio, and so "the gold standard" has remained controversial.

The gold standard a la Choice-in-Currency, on the other hand, would not attempt to fix the price of the dollar in terms of gold. It would instead leave both the price and the quantity of monetary units to be determined in the marketplace. Supply and demand would govern the conversion rate, reflecting people's perceptions of the relative values of the competing currencies.

The Fed would be constrained to "keep the dollar as good as gold" by the choices of wage earners, business owners, and investors. If people were cashing in their dollars for gold and demanding payment and interest in gold, the Fed would know that it had left the printing press running too long. If people were amiably accepting either currency, it would know that equilibrium reigned.

Best of all, if the Fed *did* let the dollar slip in value, the people would have an alternative. Freedom of choice in currency would mean that government could no longer subject its citizens to the tyranny of inflation.

What can the Federal Reserve possibly say against the idea? That it wouldn't work? Who would believe that in a free-market economy, freedom of choice won't work? The real issue will become the Fed's monopoly of the currency.

Even Milton Friedman, who has never given his blessing to a gold standard but has instead argued for a monetarist proposal to end inflation by keeping the money supply under tight rein—won't he have to endorse the idea? Has he not written a book with the title *Free to Choose* and been a staunch advocate of empirical testing of economic theories? If the Fed really is as capable of controlling the monetary system as Friedman contends, then it *could* manage the dollar supply in such a way that the public would continue to demand dollars instead of gold coins.

ONE OF THE MOST PERSUASIVE arguments for the gold-coin choice-in-currency proposal is the idea of "disaster insurance." During the 1923 hyperinflation in Germany, people were able to use British pounds, French francs, and US dollars as alternative monetary units, as well as bartering with various common commodities. If the US money and banking system should collapse, however, there would be no alternative currency for Americans to use. Society would collapse economically as well as politically.

In the novel *Alas Babylon* by Pat Frank, the United States suffers a nuclear attack and the small Florida community that survives it undergoes a

social convulsion. The local banker is one of the first to commit suicide.

Economists know that the monetary system is of central importance in a market economy, because all prices and all accounting statements are quoted in units of money. In order for the new currency to function as disaster insurance, it must be named in a way that ensures its soundness.

WHERE DID THE "DOLLAR" come from? In the Middle Ages, there was a large silver coin of similar name valued for its quality, and people began to quote prices in its name. Prices in a free market provide information about the relative values of goods and services, and there is very little cost to obtaining this information. A high-quality physical referent for the monetary "unit-name" in which prices are quoted is important for the emergence of a free-market system.

The Spanish milled dollar was in common circulation in the 13 colonies, so Thomas Jefferson proposed that it become the standard unit for the new US decimal currency. The US government didn't invent the money of the new nation, but it did "trademark" it. Within a hundred years, the trademark had already replaced the metal coin itself as the important thing in financial dealings. The government was able to issue legal-tender greenbacks with its trademark alone, and people had to take them at their face value instead of coins.

In Britain, the pound sterling is an obsolete name for a weight of silver, although from 1774, gold was the exclusive legal tender until the Bank of England's pound sterling notes displaced gold coins from most international commerce about the middle of the 19th century. People disagree about whether the banknotes were merely warehouse receipts for gold or silver on deposit or whether they represent a dishonest expansion of circulating credit with nothing to back them, but the only thing that allowed the banknotes to gain currency status was their use of the government's trademark. Similar histories can be told about the franc, the mark, the lira, etc.

Edward Gibbon wrote in *The Decline and Fall of the Roman Empire* that "Augustus was sensible that mankind is governed by names," and it is still very true today. The *name* of the monetary unit is of central importance to the new gold standard.

It is very difficult for the ordinary citizen to avoid confusion when it comes to finance, inflation, or monetary theory. John Maynard Keynes wrote: "Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

This is why most Americans believe that wage and price controls are a good idea. They believe that if prices rise, it is somehow the work of the merchants, not the depreciation of the familiar monetary unit. Since prices are quoted in the standard "name," it is perceived as the fixed element in the language of prices—the proper noun in the syntax of our basic economic information system. Only a little reflection shows us, though, that the real values of commodities and services are elements that change only slowly over time, as productivity improves. Yet there is something comfortable about the old "dollar" even though today it is merely the name of an electronic impulse in the computer of your bank, or the word by which you identify the ciphers on your credit card receipts.

One of the most persuasive arguments for the gold-coin, choice-in-currency proposal is the idea of "disaster insurance."

PERHAPS THE CENTRAL PRINCIPLE of a good monetary system is that stated by John Locke in 1695: The "unit was and should be a definite weight of bullion, which must not be altered." *Bullion*—pure, "noble" metal. *Definite weight.* The monetary system should emerge from the common system of weights and measures; it should not be "invented" by government as an artificial denomination of weight. It was an unfortunate historical accident that the common coin in the 13 colonies was not precisely an ounce of silver, which might have gone by the name "one ounce" without the government trademark "silver dollar."

F. A. Hayek has compared the development of a nation's monetary system to the evolution of its common language—a product of human action but not of human design; a spontaneous order. Because the "dollar" has come down through history as the unit of accounting, it may seem natural that the name-unit of the new currency should be "dollar" also. Yet, for the reasons that John Locke put forth, the idea of a "gold dollar" must be rejected.

Dollar is not a unit of weight, even though it once described a silver coin that had a fixed weight: 347.49 grains of fine silver, as defined in the coinage act of 1792. If the monetary unit is named differently from the definitive weight, specifying its weight becomes a government prerogative. Then it is easy for the government, by redefining that weight, "to debauch the currency," as Keynes noted, "in a manner which not one man in a million is able to diagnose."

Because people use the familiar name to quote prices, the government's trademark on the coinage can become the unit of accounting *in lieu of* a unit of weight. This is precisely the shift in meaning, however, that ought to be prevented by any modern monetary reform. If a coin is named by its unit of weight, what citizen would be fool enough not to perceive his government's skulduggery were the pound or the ounce or the gram announced no longer to amount to its former quantity? *Every* man in a million would scoff if the government tried to tell him that a gram of gold did not equal a gram of iron.

Any "gold dollar" currency would inevitably be afflicted by the problem of Gresham's Law. The coins would never circulate, because they would be seen as more valuable than the paper currency with the same name (and hence with a fixed price ratio). The bad money would drive out the good, and nothing would be gained by pretending that the paper was "as good as gold." This is why the United States, and the rest of the world, slipped so easily off the gold standard in 1933, due to the tendency for gold coins to remain in vaults.

TO AVOID THE PROBLEM with government trademarking, the definite weight prescribed by Locke should be the common *unit* of weight. For the new gold currency, we have, therefore, two choices: grams or ounces. Which unit has a single definition? Which unit has *four* definitions? (Hint: gold-grams is superior in this respect.) Another consideration counting in favor of the gram is that it is the unit of weight in which every other raw material in international commerce is measured.

A gram of gold this year is worth about $15.00, which would make a 10-gram and a 5-gram gold coin about the right size for many commercial transactions. (For quick mental conversion, a gold price of $466.55/oz. would be exactly $15.00/gram.) A 10-gram goldpiece would be about the size of the US quarter dollar, and a 5-gram goldpiece would be about the size of a US penny.

The Free Market Gold Coinage Act introduced by Rep. Dan Crane proposes 10-gram and 5-gram gold coins. Crane, in his second term in the House of Representatives, has supported other gold standard bills and was enthusiastic about a gold coinage proposal. (His brother, Philip Crane, had been a leader in advocating the legalization of gold ownership.) As Dan Crane said in introducing the bill:

> *Some people advocate a gold ounce coinage, and others advocate a metric coinage based on the gram of gold. I don't like the metric system myself, but in the spirit of giving people the freedom of choice the "Free Market Gold Coinage Act" has allowed for two metric coins: The "Jefferson 10-gram Goldpiece" and the "Adam Smith 5-gram Goldpiece." Thomas Jefferson and Adam Smith are two early advocates of a hard-money system for the free market. These two coins are intended to honor these great men who wisely forewarned us that paper money can lead to inflation.*

In addition, the bill proposes two other gold ounce coins in anticipation that these weights may be popular with Americans. One is a troy-ounce coin because the gold coin market in the United States has grown up around Krugerrands, and the other a US-ounce coin.

Crane says he decided to put John F. Kennedy's profile on the troy-ounce coin to challenge liberal Democrats to support the bill. Since he comes from downstate Illinois, Abraham Lincoln seemed well suited for the US-ounce coin, especially if the copper penny is eventually discontinued.

THE FIRST SECTION of the Gold Coinage Act proclaims that "it shall be the policy of the United States to promote the free coinage of gold at a free market price." The idea is that private mints, like the Gold Standard Corporation in Kansas City, ought to be encouraged to produce free-market coins and not be displaced by the US Treasury's coinage.

The gold-coin standard will not have taken root in the economic life of the nation until people quote prices in terms of it.

Why should the government manufacture and issue coins at all? Wouldn't a free-market gold coinage most properly come entirely from private sources instead of from the US Mint? Nobody can quarrel with the logic here, but in practical terms it is important to get the gold bullion out of Fort Knox and into private hands—and there is enormous political opposition to the selling of bullion in large quantities for depreciating dollars.

The development of central banking and legal-tender laws in England during the period of laissez-faire for everything else should be instructive to us if the objective of the new gold standard is to prevent an eventual remonopolization of the currency by government. In England, following the Napoleonic wars, the Bank of England had all the gold. For reasons of physical convenience and safety, nobody saw any problem with this de facto monopoly.

After 1844, the law specified a 100 percent reserve for each Bank of England note (but not for the loans the Bank of England would make against the banknotes); so the practice of central banking seemed like a natural monopoly. In retrospect, we now can see why this was a dangerous political arrangement. The gold in a central vault might be most secure from petty robbery, but it is most vulnerable to grand, political larceny.

Moreover, the most important element in the gold-coin standard is the *existence* of the coinage, so that people can quote the coins as price units for goods and services. Relatively few gold coins would have to be issued by the US Treasury before the coinage would begin to be used to denominate some kinds of transactions. Given the famous inefficiency of the Post Office and other government service agencies, there is every reason to believe that private mints would supply most of the actual gold coins in circulation unless the coins were marketed to the public as an alternate source of funding for the federal budget deficit.

The process of quoting prices in terms of gold coins is the fundamental thing about a gold-coin standard. The creation of myriad private caches of coins is an important part of the "disaster insurance" scenario, and this can be partially satisfied by "unofficial" coins; but the gold-coin standard will not have taken root in the economic life of the nation until people quote prices in terms of it. This is the basic reason why an official coinage needs to be created. This would open the way for the most logical use of a gold coinage by the free market—in the long-term capital markets.

As a tool in the market, money facilitates "indirect exchange" by providing something that a seller of goods can accept with some confidence that other sellers will accept it from him later. Any indirect exchange, however, that skips over several, perhaps lengthy, periods of time—as in the long-term bond market—exposes the bond buyers (lenders) to a uniquely dangerous kind of risk.

The main risk in modern times is not so much "default risk" but "inflation risk"—will the monetary units in which the debt is to be repaid be worth as much in the future? A bond expert can evaluate the degree of default risk and classify a bond as Aaa or Baa and recommend a higher interest rate for the lower-graded bonds; but how can anyone tell you what the link is between the "1981-dollar" and the "2001-dollar"?

Since 1977 there has been no restriction on the use of gold clauses in con-

tracts, so hypothetically the process should emerge; but it hasn't yet to any noticeable degree. Why not? Could the reason be that nobody trusts gold clauses so long as the basic language of prices is still the "dollar"? If dollars are the exclusive legal tender, what would prevent some future abrogation of gold clauses?

There seems to be an underlying process in the free market, or more particularly in the price system, that causes trade to gravitate toward the common unit of accounting—because that is what the courts would rely on if the contract had to be enforced. Similarly, many civil actions in court don't involve contracts under which the parties might have protected themselves with a gold clause. When someone smashes your car or disrupts your business through negligence, you don't have a contract—yet you might ask a judge to assess damages. Sometimes a judgment can take years of litigation. The main change in existing law made by the Free Market Gold Coinage Act is the principle that individuals in court, and in their dealings with the government itself, should have the right to use the unit of weight of gold to denominate the value at stake.

THE REAL KEY to the freedom of choice in currency movement is the basic human right to choose and use gold coins recognized by statute. Congressman Crane's bill, the Free Market Gold Coinage Act, is just one specific proposal that meets all the criteria. It is really less of a coinage act than it is a "monetary constitution" for official transactions. In the process of creating a coinage, the bill would simultaneously provide a numeraire for long-term capital transactions and eliminate the monopoly of the Federal Reserve System over the currency.

In contrast, the traditional gold-standard proposals, which would legislate a "gold cover" for the Federal Reserve System—or to fix the quantity of dollars it issues based on the Treasury's holdings of gold—is very much antithetical to the choice-in-currency idea. First, because a "gold cover" would not put gold coins into circulation, it would not satisfy the disaster-insurance requirement; and second, because the expansion of the money supply would still be a monopoly of the government, there would be no genuine halt to price-index inflation.

When the British adopted Peel's Act in 1844, requiring 100 percent gold backing for Bank of England notes, they nevertheless had to suspend the act in 1866. Walter Bagehot reported in his classic *Lombard Street* (1873): "Three times since 1844 the Banking Department has received assistance, and would have failed without it." Whoever believes that the 19th-century Bank of England model is a good example of the gold standard is playing games with words.

It is hardly an accident that the 19th-century gold-backed currency and banking systems evolved into central bank monopolies, because they were heavily restricted and warped by government finance issues that do not concern our 20th-century economic system. The institutions that were created, like the Federal Reserve System, have survived to perform a different purpose—macroeconomic planning, with monopoly authority. Our legacy from the past is inflation, the boom-and-bust cycle, and sky-high interest rates because there is no underlying connection between the 1981-dollar and any future currency units.

In accepting the classic gold standard, people must agree to a particular conversion rate. Should it be 35 dollars to one ounce of gold? 450 to one? 600 to one?

The financial revolution that would result from a successful choice-in-currency campaign would be one of the major transformations in monetary history. By enacting the Free Market Gold Coinage Act, for example, a sovereign government will have voluntarily surrendered its monetary monopoly. Impossible? Popular movements have achieved more startling changes, such as the 17th Amendment to the Constitution allowing for popular election of senators.

Best of all, like other technological revolutions (for example, the development of telecommunications), all progress would be made at the margin as individuals and companies adopted the new procedures for denominating values. On the first day of enactment of the "Free Market Gold Coinage Act," there would be no visible change at all. Yet by the 10th year or the 50th year afterward, the present system of money and credit might be fully transformed into one based on the gram of gold as the "unit of account"—the proper noun in the syntax of the free-market price system.

The report of the US Gold Commission is due on October 1, 1981. Whether or not the commission will recommend a return to a gold standard, and whether or not their recommendation will look like the 19th-century Bank of England system, is very much up in the air.

What the "shadow" Choice-in-Currency Commission will be able to achieve is uncertain. Surveys of public opinion in monetary and fiscal matters reveal a depth of misunderstanding and emotionalism that staggers the imagination. Indeed, due to public ignorance, the "choice in currency" process might be the *only* way to create a new gold standard, because "information costs" and "transactions costs" alone will prevent any widespread agreement on a particular kind of system. We do not live in a classic, small-group Greek democracy.

Yet, from the international system of weights and measures, provided a vocal minority insists upon it, the fundamental unit of a new gold coin standard can be created. This alone, along with the official recognition of the unit in courts and in all dealings with the government itself (for example, paying taxes and customs duties; receiving tax refunds; etc.) is sufficient, on economic grounds, to transform our financial system and rebuild it on a firm, noninflationary basis that is well suited for the new kinds of electronic payment-systems that the free market is even today creating. ◧

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A technical analysis/report on the gold-coin standard is available from the Choice-in-Currency Commission, 325 Pennsylvania Ave. SE, Washington, DC 20003.

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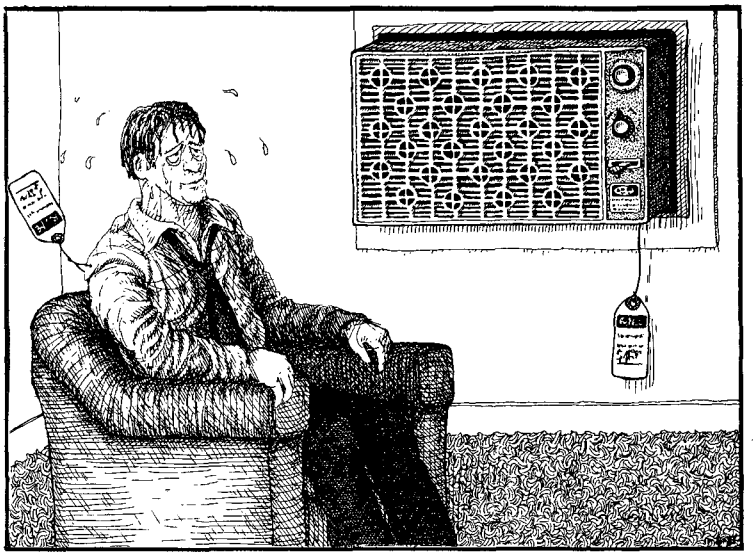
They're Finally Doing Something About the Weather!

By Stephen G. Barone



GOVERNMENT HAS COME A long way. I lay no particular claim to this insight. It came upon me last summer when I read about the government's efforts to *do something* about The Heat Wave of 1980. I suppose the saying, "Everyone talks about the weather but nobody does anything about it," has thus taken on a quaint obsolescence, much as the Bill of Rights.

During that torrid period of weather, nary a day went by without some agency or bureau representative asking for funds to provide fans and air conditioners for the Elderly and Poor. You will notice that *Elderly* and *Poor* are capitalized here; it distinguishes them from those not so categorized by the government, who might merely be poor or elderly.

Myself, I own neither fans nor air conditioners by choice. The government, too, had decided that I may *sweat it out*, as it were, without its interference.

It dawned upon me, however: Since when did the government care about individual volition in determining which individual members of the populace might be victims of its latest whims? The only answer that I could come up with, though I haven't the sociopolitical erudition or savvy of a Joseph Califano, is that it must be accepted around Washington meteorological circles that not only do heat waves discriminate but, in defiance of Title IX, they do so with particular regard to the Poor and Elderly. Thus, being that heat waves are less cruel and deadly to those of us earning closer to the national mean income, certain parts of our incomes need to be confiscated to buy fans and air conditioners for these unfortunate victims of summer time.

I never want it to be said that I haven't as much empathy as the next fellow for America's underfunded and geriatric populations. Still, being somewhat of a naif when it comes to the theoretical underpinnings of Modern Government, I do not see where it necessarily follows that *I* have to go about ventilating and air conditioning their abodes. I sat, somewhat bemused, listening to some officials saying that they needed the fans and air conditioners because old codgers were refusing to leave their homes to spend the nights in air-conditioned shelters. The logic went, I suppose, that the Elderly are too proud to leave their homes to go to temporary shelters but not too proud to accept free fans and air conditioners. Funny, I never heard one of the Elderly (or Poor) get on the radio and say, "Send us your fans and air conditioners."

I was not alone in these observations. A friend of mine turned my attention to how cunning bureaucrats, mindful that taxpayers might be less than thrilled about this expenditure, began to refer to the appliances in that strange language peculiar to government. Officials began speaking of the need for *special disbursements* to provide *cooling devices* and, later, *paraphernalia to diminish the effects of the heat wave on the Poor and Elderly.*

Calling tax-monies *special disbursements* was smart—why remind us that what the bureaucrats want to spend is our *money.* Also, referring to *cooling devices* is much less emotionally loaded than coming right out and saying "fans and air conditioners."

It took real genius, though, to come up with *paraphernalia to diminish the effects of the heat wave on the Poor and Elderly.* Notice how it makes fans and air conditioners sound like some sort of exotic medical devices, like iron lungs or kidney machines? Would you take an iron lung away from your grandma? Of course not.

Of course, bureaucrats had every reason to be vague. The rest of the country was perspiring just as badly as the Poor and Elderly.

The heat wave of 1980 is history. I imagine that government-supplied fans and air conditioners found their ways into the homes of the Poor and Elderly in time for fall. Meanwhile, we can all wait with bated breath to see what our leaders will do about the next heat wave, which is probably coming, quite predictably, some time this summer. ◻

Stephen Barone is an educational psychologist working in Wisconsin.

Illustration by Rick Seward

In recent months some of those whose judgments we at REASON *have found valuable in the past have been invited to go to Washington to give advice and even direction to the Reagan administration. Of course, having some good people in Washington is far from seeing some good policies through to fruition: yet it offers hope.*

One of the individuals whom we have long regarded as a friend of liberty is Dr. Murray L. Weidenbaum. Our interviewer, Senior Editor Tibor Machan, has met Dr. Weidenbaum before on just the sort of occasion that confirmed our respect for his judgment concerning government economic policy: a conference at Hillsdale College in 1976 on the "alphabet soup" agencies.

Before being appointed to his present position as chairman of President Reagan's Council of Economic Advisors, Dr. Weidenbaum was director of the Center for the Study of American Business at Washington University in St. Louis, where he holds the Mallinckrodt Distinguished University Professorship. In addition to being a prolific author, with such works to his credit as Business, Government, and the Public *and* The Future of Business Regulation, *he has served as an assistant secretary of the Treasury (1969-71).*

One might imagine Dr. Weidenbaum as a somewhat reserved, studious person who uses big fancy words and economic jargon. In fact, he is a relaxed, calm, soft-spoken man who likes to discuss his concerns in straight, uncluttered, cogent English. One can only hope that his respect for liberty and his ability to give testimony to its value will serve to make an impact in Washington.

REASON INTERVIEW

Murray Weidenbaum

REASON: Doctor Weidenbaum, please explain briefly what the Council of Economic Advisors is and what it does.

WEIDENBAUM: The Council itself has the most modest statutory authorization to advise the president on economic matters and to write the annual economic report. What we actually do is a function of the confidence that the president has in us and in whatever special abilities we bring to bear. It turned out that cutting the budget is a major activity of this administra-

Photographs by Jody Croley

tion, and this is an area to which I have devoted part of my adult life. So from the time I got here President Reagan put me on his three main budget review groups. David Stockman is of course the chairman of these groups, and Martin Anderson is a member also. It isn't determined by statute that as CEA chairman I have a vital role in the budget, but in *this* administration, the CEA chairman does.

REASON: The legal role of the Council is purely advisory, isn't it?

WEIDENBAUM: Yes, that's right. We operate no programs. We provide the data for and prepare the monthly publication *Economic Indicators,* which is actually published by the Congressional Joint Economic Committee.

REASON: It is quite conceivable that you will sometimes be critical of some things that this administration will go along with...

WEIDENBAUM: Oh, you don't have to guess that. It's well known that I am the purist free trader in this administration. In discussions of, say, the automobile industry or other protection matters, my colleagues in the administration know that I, and my colleagues in the council, will take the most free-market, antiprotectionist, and proconsumer position.

REASON: What major changes would you like to see in the economic policies of the current administration, or do they follow in general your own ideas?

WEIDENBAUM: Fundamentally, I see a close correspondence between my views and my boss's views, and I feel very comfortable here. Now when you get down to specifics, no two adults are going to agree. But I think we need to see a major reduction in the size, scope, power, and burden of government in our society in all its dimensions, and it's delightful to work for a man who shares that view very strongly. So the question isn't, Shall we cut taxes or spending? or, Shall we cut spending or regulations? or, Shall we cut regulations or government credit programs? We *want* to reduce the size of government in all its dimensions. And that's fundamental.

REASON: One of the things that comes up in any administration is "horse trading." An example that comes to mind is the tobacco subsidy.

WEIDENBAUM: What we did when we set out to cut budgets was decide that we couldn't exempt the farmers, so we cut the farm part of the budget. Well, which part do you cut? The dairy subsidy is the biggest; the tobacco subsidy is much smaller. To the extent that you can have a major reduction of dairy subsidies, you have a double whammy: not only do you reduce government spending and hence the deficit; you also reduce the rate of inflation. So we went after the dairy subsidy.

REASON: How do you answer the criticism that this administration is cutting subsidies to such marvelous things as National Public Radio while at the same time continuing subsidies to, for instance, the tobacco industry?

WEIDENBAUM: All those "wonderful" things that we are cutting, I don't think they are so wonderful in practice. The National Endowment for the Arts, the National Endowment for the Humanities—I'm not convinced that this is a proper role for the federal government in the first place. And then I look at the specific projects being funded under those grants. I think the public welfare is not diminished by shaving those budgets. I don't think that society has to subsidize my symphony ticket. Now I have to admit that so far we haven't successfully attacked every sacred cow in the budget, but in the first 100 days we did a bigger job of budget cutting than all preceding administrations put together. Not a bad start. I'm not apologetic at all.

REASON: This morning's *Washington Post* had a story on how some of the cuts in the budget of the Export-Import Bank were rescinded by Congress. Why did that happen?

WEIDENBAUM: I can tell you. I was once chief economist at Boeing, so it's ironic that I am now a leader in the effort to reduce the budget of the Export-Import Bank. [The Eximbank is an independent federal agency that makes loans and issues loan guarantees and insurance to foreign governments and businesses purchasing American-manufactured goods. Boeing is one of the beneficiaries of Eximbank operations—Ed.] I don't mean to pick on business subsidies, but I don't mean to ignore them either. That is why in good conscience I could advocate reducing farm subsidies, labor subsidies, and housing subsidies. In this case, my former colleagues in the aerospace industry launched what seems to be a successful counterattack to our plan to reduce the Export-Import Bank subsidy. I think we need to redouble our efforts. It's an inefficient use of public resources, and we ought to cut it.

REASON: It is very difficult for some of us to stomach the way many people in the business world give lip service to free enterprise but then initiate some of the most flagrant violations of a principled adherence to the market system.

WEIDENBAUM: You are so right. This administration is not simple-mindedly probusiness. It's pro-free-market, pro-competition. And of course lots of companies don't appreciate the distinction.

I have had two unexpected experiences in this administration. One, the so-called consumer advocates are quiet when important consumer issues come up—like restriction of imports, which is certainly an anticonsumer action. Those so-called consumer groups are mute on that issue. You can speculate as to reasons. Look at who supports them and draw some conclusions. The other unpleasant surprise has been a steady stream of business people who call, write, or visit to support our program in general, *but* they advocate a subsidy to their company or industry. It's never "subsidy," you understand; it's an "exception," it's a necessary investment in economic growth, it's a special tax deal or expenditure subsidy or credit subsidy or something to help their industry.

REASON: In recent years, a substantial portion of your own work has been the study of government regulation. Do you think that this administration is going to make as much headway in the direction of deregulation as its initial rhetoric made it appear?

WEIDENBAUM: I think overtly, measurably, we've made more progress in that area than any other administration. On the tax cuts and budget cuts, implementation depends on Congress ratifying the proposals of the president. But in regulation there's an awful lot that can be done and is being done under

existing statutory authority. We haven't priced out all the actions that we have taken in this administration to reduce regulation, but we did price out about 30 of them reducing the burden on automobile production. It's our estimate that those 30 specific actions to either eliminate or revise regulations affecting the automobile will save the consumer more than $10 billion over the next five years. That's better than $2 billion a year.

REASON: Do you approach government regulation in terms of cost-benefit analysis?

WEIDENBAUM: That's not the sole way I look at regulations, but I find that it's useful.

REASON: There are some economists who would contend the cost side of that approach is very difficult to estimate because of a number of factors that are just undeterminable.

WEIDENBAUM: Absolutely, and the proponents of regulation can make the same statement about the benefits side.

REASON: Recently, Stephen Kelman had a piece in *Regulation,* the magazine of the American Enterprise Institute, in which he criticized the entire utilitarian tradition of public policy analysis. There have been some others who have also raised objections to regulation not so much on economic grounds but on moral grounds. For example, there seems to be in government regulation the phenomenon of presuming that someone is guilty and imposing burdens on him before any guilt has actually been established.

WEIDENBAUM: Like affirmative action programs. I think that's just morally wrong. Provisions like that should fail any test of equity before they even get subjected to a cost-benefit test.

REASON: This brings up a kind of a side issue. The president has a Council of Economic Advisors—are there comparable advisors in law, education, morality, arts, and so on? Should there be? Maybe there shouldn't even be a Council of Economic Advisors?

WEIDENBAUM: That's a good question. The attorney general is his chief *legal* advisor, and there is in a more specialized way a legal advisor, the general counsel in the White House. As to moral advice, I'd be concerned about institutionalizing moral advice. I must say I don't view government as having much of a role in moral matters—the less the better. I think zero is optimal.

REASON: But when you listen to critics of the free market, most of what they offer is *moral* criticism. Ralph Nader constantly stresses *justice* and *lack of compassion,* and so forth.

WEIDENBAUM: It is ironic to listen to frequent statements that free-market institutions are heartless and literally would let people starve. The fact of the matter is that the capitalist nations of the world are feeding the socialist nations—not on a purely eleemosynary basis but rather in the spirit of Adam Smith's baker, that is, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest."

REASON: Do you see any upsurge of a broader intellectual defense of the free society?

WEIDENBAUM: Well, here is part of a speech I've now given on two occasions, and I must admit to having received a standing ovation both times.

Our concern for the free enterprise system is part of a larger national debate over fundamental values, especially over the balance between the power of government and the freedom of the individual. . . . It's true that private enterprise is the basic

"We need to see a major reduction in the size, scope, power, and burden of government, and it's delightful to work for a man who shares that view."

"I take a very provincial attitude: I really don't care whether there are countries whose tax burdens are even higher than ours."

"The so-called consumer advocates are quiet when important consumer issues come up—like restriction of imports."

source of material wealth, but that is too narrow an argument to command sufficient popular support. We need to remind the public of something so obvious that we often overlook it. Just spin the globe, identify the various nations of the world that provide their citizens with a substantial degree of personal freedom, and spin the globe again and then find those countries that have a large and strong private sector. You'll find there's a striking overlap between the two groups. The close correspondence between economic freedom and personal liberty is not coincidental.

REASON: I come across many sophisticated Marxist humanists who, whenever you mention that the capitalist nations provide the greatest amount of freedom and freedom of choice, will immediately talk about manipulation, false consciousness, etc.

WEIDENBAUM: I am fascinated by the fact that when you take away the legal frontier between the communist sector and the capitalistic sector and you let people move, you can predict the direction in which they will move.

REASON: Yet magazines like the *New York Review of Books,* the *Nation,* and the *New Republic* are filled with people who question capitalism fundamentally—not its performance here and there but fundamentally—as being callous, heartless, exploitative, alienating, and so on. Do you ever reflect on why this is so?

WEIDENBAUM: Yes, because my students asked me that frequently. In a sense it is because in concept the communist/socialist approach is very neat. You can predict within a fairly small margin what the position of an individual is going to be in that society. But the capitalist society is very disorderly. The variance is great and may be on the basis of ability, luck, all sorts of happenstance, external circumstances. That upsets people's sense of order. But this is why someone who I think is concerned to find a system that provides more discretion for the individual will put up with all that disorder and unpredictability of results. It's not just that on the average, in an economic sense, you'll do better in a capitalistic society; it's that you have more opportunities for those adjustments as an individual.

REASON: You have said that although you are a critic of government regulations, you are not in that sense such an absolutist or a purist that you do not see *any* role for regulations.

WEIDENBAUM: That's right.

REASON: Now there are those who would argue that the only time regulation seems justifiable is when government has taken over a domain and manages it as a proprietor, say national forests, roads, some hospitals. So it's not really regulating, but *managing.*

WEIDENBAUM: I wouldn't call that regulation. And of course a lot of that is misguided public ownership in the first place.

REASON: But don't you think that you would turn into an absolute antiregulationist were the economy freed up so much that there wouldn't be these overlaps?

WEIDENBAUM: I like to think of myself as a practical type rather than a theorist, which is why I'm here. If on one side of me is the free-market alternative and on the opposite the totalitarian, and we've moved seven-eighths of the way toward the free market in my lifetime—perhaps during my tour here—I'll have achieved something. I want to move us a significant distance toward freedom. If I can do that I'll feel a sense of real accomplishment.

REASON: I do not wish to call into question the value of the practical, step-by-step, gradual approach, but one still needs to be guided by ideals, I think.

WEIDENBAUM: Sure. Milton Friedman and I have had this discussion on occasion, and in fact at one point I said to Milton after making my presentation, "I guess you really want to start criticizing me." He said, "No. I understand your concern with political reality." He said, "You're trying to move the society in a direction I want to see it moved, and you're doing it in a political context." And I said, "Fine. I'm glad to hear that, because you set the kind of goal that we need to shoot at." So I guess this is a division of labor.

REASON: I should then ask you a couple of those practical questions! There are some people who are claiming that the supposedly high tax rate in the United States is really a myth, that in most Western societies—Germany, Switzerland, and Sweden, and so on—tax rates are higher. Is there statistical manipulation going on here?

WEIDENBAUM: Well, I take a very provincial attitude: I really don't care whether there are countries whose tax burdens are even higher than ours. As I look at the one economy that I have studied, which is the American economy, in terms of the impact on our society's ability to function, I have to conclude that taxes are extremely high. And when I look to see where the money is spent, and I see all of the silly, wasteful, counterproductive programs that these taxes fund, to me it's a compelling reason not to increase the tax burden but to reduce it.

REASON: I recently read in the *Chicago Tribune* about a study that argued that in terms of what their incomes will buy, Americans are still better off than European societies with higher productivity levels.

WEIDENBAUM: Those international comparisons are tricky. There are some kinds of analysis that say per capita income is now higher in a few western European nations than they are here. Given the fact that we are a more energy-intensive society, I find that tricky. What I think is apparent is that we've had a stagnation in our living standards here in the past decade.

REASON: What do you think about those conservatives who claim to believe in a free market but tend not to believe in some of the freedoms that liberals emphasize more, such as those regarding the draft, drug usage, pornography, religion, and so forth? These are areas that some conservatives wish to regulate because they believe that the country and the culture will suffer if they aren't.

WEIDENBAUM: Well, the draft was eliminated as a result of a commission dominated by conservatives, many of whom, such as Martin Anderson, are senior members of this administration. I think it's clear that there's a large group of conservatives, and I'm one of them, who believe the draft is an unwarranted interference with personal freedom but who simultaneously are very concerned with protecting this free society from external aggresion and hence look upon the market to attract resources. Here I am very concerned over the fact that since the draft was instituted, there's been an erosion in the real income of members of the US armed forces, which means we haven't used the market effectively. In this case I think the liberals and the conservatives have a common ground.

Let me give you another example—no-knock power. I wrote a little piece a few years ago twitting my liberal friends, saying that they're so concerned about government having no-knock

power when it comes to our homes, but what happens when government agencies come into my office or my factory without knocking? That's still an infringement on my personal liberty. I'm against both. I think the *liberals* are more selective than the conservatives.

REASON: George Will recently wrote a column in which he complained about the members of the administration who wear Adam Smith ties, and then he proceeded to denounce Adam Smith as being a crass, utility-maximization kind of social theorist and not a robust, morally aware social theorist.

WEIDENBAUM: He obviously didn't read or has forgotten Smith's *Theory of Moral Sentiments.*

REASON: The fact is that Will and other conservatives are now worrying about the administration's concern about liberty and lack of concern about social order.

WEIDENBAUM: Well obviously we're concerned about government setting rules for conduct, contract, etc. I am not a nihilist. I make no bones about it. I think there's a role for government in this society—setting the rules of conduct in various transactions—otherwise it is anarchy. But in this administration I see little danger of going the route of inadequate order.

REASON: Let me come back to economics. One of the criticisms of supply-side economics has been that the capacity of any model to predict that people will do certain things with the income that will be generated out of tax cuts and so on is very meager. Just as we shouldn't believe that the Keynesian model is effective, why should we believe that the supply-side model is going to accomplish what it promises?

WEIDENBAUM: I think you have to make a distinction between the enthusiastic claims of some individual monetarists, whether supply-siders or advocates of any other school of thought, and the specific policies of the Reagan administration. We've avoided putting on rose-colored glasses. We're not assuming that our tax program will eliminate consumption and just generate savings. All we're saying is that the savings rate, which is now terribly depressed—it used to be seven or eight percent and is now down to four or five percent—should be brought back to the seven or eight percent range. People would still consume rather than save the bulk of their income, but not quite as much as they do now. I think it's very modest to hope the savings rate moves from five to seven percent over a period of years. I don't think we're promising too much.

REASON: In many local areas, socialism appears to be making headway. New-leftist economic democrats are taking over such offices as the local planning commissions. Some such planning commissioners are out-and-out, unabashed socialists who advocate rent control and want "community ownership" of various enterprises and so on. Now I know that at the federal level you can't do very much about that, but do you have some reflections on it?

WEIDENBAUM: Rent control is a self-inflicted wound. Just look at what happens to areas that are afflicted with rent control. You don't see an expansion of homes, apartments, or rental property available for people, you see a decline—either a deterioration of the physical stock or a conversion to condominiums as a way of getting out from under rent control. And it's fascinating how some awfully intelligent, educated people can be so dumb that on the one hand they advocate rent control and on the other hand they simultaneously oppose conversions into condominiums when, in a sense, one is the cause and the other is the effect. The trouble is, one thing they cannot do is force people to build new apartment houses for them. So the amount of rental property available in this country is going down.

REASON: Another common practice is to establish so-called cooperatives among the local leftists, and then to go to the federal government to borrow money from such agencies as the National Consumer Co-op Bank...

WEIDENBAUM: An outfit we're trying to eliminate.

REASON: That's right. The NCCB was recently in the news because one of its officials put a lot of its budgeted money into private banks so it couldn't be cut back.

WEIDENBAUM: Oh, they have no sense of financial integrity. It was a most high-handed thing. This official took government money and put it into a private bank on her own because she didn't want the Reagan administration to prevent her from spending it. *She* knew she was going to do something good with it.

REASON: So there *is* something that the federal government can do by eliminating some of the money that these local organizations can use for ideological uses?

WEIDENBAUM: We're trying to do that as rapidly as possible. It's totally outrageous. If someone wants to set up a socialist scheme with their own money, I may not approve of it, but it's *their* money. But to force me to subsidize their socialist experiment—that's tyranny.

REASON: What would you advise people who are interested in the success of free-market-oriented measures to do? Say they have no access to power; they may not be good at writing; they are just hard-working people who would like to see saner economic policies?

WEIDENBAUM: Well, of course in my current official position I can't urge people to lobby, but while I was a professor I used to urge my students, friends, and neighbors to participate in any decisionmaking they could be involved in. If they lived in a local community that was debating whether or not to take over the privately owned utility, I urged them to take a strong free-market approach and not let the activists who wanted to socialize that branch of the economy prevail.

REASON: You mentioned utilities. Now, one of the most outstanding anomalies in a supposedly free-market economy is the existence of so many government-maintained monopolies. Such monopolies give American capitalism a bad reputation, because although the government protects them against competition, they are taken by many—friend and foe—as instances of the capitalist economy. Do you plan to do something about this?

WEIDENBAUM: As a philosophical matter, we share your belief in the free market. In terms of practical priorities, we haven't focused attention simultaneously on each and every activity of the government we've inherited. You see quite clearly an absence of new initiatives in this administration that would extend socialization any further. If anything you see, for instance, an effort to sell off a nationalized part of the railroad industry. That certainly indicates the direction in which we'd like to go. I think of the monopoly that the post office has—it's a subject that private scholars have raised, and it needs more attention. But I just think that when you're in office you have to set some reasonable targets. The direction that we need to go in is quite clear. It's toward less government involvement in economic activity than is the case today.

REASON: Well, thank you very much.

WEIDENBAUM: My pleasure.

LePage

(Continued from p. 33.)

SOCIALIST PLANS

The second issue is more fundamental. Is François Mitterrand's election just a regular and welcome democratic change, with one team of competing politicians replacing another? Or is it a precursor to much more dreadful events, the beginning of a true socialist revolutionary process that would have terrible consequences for the whole Western world?

During his electoral campaign, Mitterrand aimed mainly at fostering the pragmatic image of a responsible social-democrat dedicated to introducing "change" for more social justice but respectful of the Fifth Republic institutions. He gave his pledge that there would be no spoils system despite the 23-year rule of Gaullist and conservative governments.

His hatred for the Communists is well known. His appointment of four Communists to his cabinet is generally regarded as the stroke of a master politician. They have been put at the head of only minor ministries—health, transport, the civil service, and vocational training. The key positions in the 44-member government are held by moderate center-left politicians or technicians.

However, one must not forget that François Mitterrand, then first secretary to the Parti Socialiste, officially endorsed in 1979 a party platform that is a pure Marxist-Leninist chef d'oeuvre. Called "Le Projet Socialiste," openly neutralist and anti-imperialist (that is, "anti-American"), this document declares that "capitalism is even a greater threat for France than is the Soviet Union." It clearly states that its logic is one of "outright rupture with the present capitalist and free-market system." It not only plans an overwhelming extension of State ownership and State planning (all banks and financial institutions are to be nationalized; half of the industrial population would work for the public sector). It also officially favors "a larger collectivization of our lifestyles" and openly aims at introducing into French industries a Yugoslav type of self-management with workers' councils having the power to veto all major management decisions such as hiring policies, lay-offs, job planning, wage hierarchies, and investment and technology decisions.

In a country with strong Communist influence over the trade unions movement, one has no difficulty imagining what such a radical reform of corporate law would mean: if all the written propositions of the "Projet Socialiste" were implemented, France would rapidly move along the unfortunate road that leads not only to economic decay but also to an outright totalitarian state.

The new president is too wise and pragmatic a politician to take the risk of a full-fledged French socialist experiment. He will most likely try to run the country with a center-left coalition whose socialism will be Swedish social-democrat style.

But we must not lose sight of the fact that he owes a large part of his victory not only to the neutral complicity of the Communists but also to the active support of radical leftist minorities (like pro-Castro writer Regis Debray, now Mitterrand's private advisor on...foreign affairs!). These minorities will not easily accept frustration of their romantic dreams for a new egalitarian society—a model that no other advanced industrial country has yet tested, a model full of deadly ambiguities and very unstable indeed.

Strangely enough, I rather welcome this new situation in the hope that it will at last open the eyes of all those who believe in a free society but never understood the need for a strong ideological renaissance. Unfortunately, people always need an emergency to feel the urge to mobilize. With the continuation of a conservative government whose everyday acts contradicted its own words, those who treasure liberty might never have risen to its defense. ◻

Henri LePage, REASON's correspondent from France, is the author of several books, including Demain le capitalisme. *He is associated with the Institut de l'Entreprise, a free-market think tank based in Paris.*

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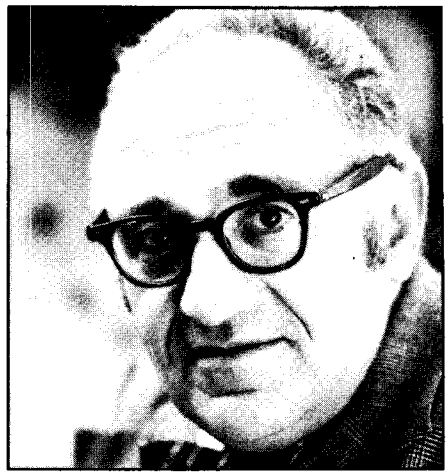
The Moral Majority and the Public Schools

viewpoint



Murray N. Rothbard

One fascinating thing about liberals is their infinite capacity for surprise. Liberal secular humanists have been dominating our public school system for nearly a century; and for nearly that long, in the name of "value-free science," they have been busily inculcating school children and our culture with their own secular humanist values: nontheism, skepticism, relativist ethics, "if it feels good, do it" morality, sexual promiscuity, morbid literature, statist economics, and all the rest of the goodies of our current world. Now, after this happy domination, the educationist bureaucracy suddenly finds itself besieged by an angry Moral Majority backlash, a group to whom it "feels good" to take a hammer to the secular humanists.

It couldn't have happened to a more deserving bunch. I found particularly amusing a whining comment by a Montana high school principal, who found that a discussion of sex education had unaccountably turned into a critique of secular humanism. Complained the principal: "There is this feeling that you're being questioned." Well, fellas, after a century of preaching the virtues of questioning all things, how does it feel to have the questioners questioned?

Particularly remarkable is the liberals' shock. We are, after all, a largely Christian country; secular humanism may be more fashionable, but it is still a small minority. So, in the long run, in a democratic country, who did the secular humanists think were going to run the show?

The marvel is that they were able to bamboozle the public for so long with their alleged technical expertise. But when generations of parents found out not only that their children were being taught values they considered corrupt but that their kids increasingly couldn't even write or count, then the backlash gathered. The Moral Majority, at least in the school system, is an uprising of frustrated parents and taxpayers trying to assume control of schools that are supposed to be serving them and instead have been ruling the roost.

Enjoyment at the well-deserved discomfiture of the educationists, however, doesn't mean that we should look with glowing approval on the Moral Majority. What the Moral Majority are trying to do, as some of its more articulate spokesmen are making clear, is to return to the "good old days" before 1900, before John Dewey and secular humanism appeared on the scene.

Before 1900, there was no nonsense about "separation of church and state" in the public schools. The public school system was designed from its very marrow as a compulsory Protestantizing device, aimed at taking Catholic and High Lutheran kids, forcing them into the public schools, and molding them into "good" pietist Protestant Americans. Not only was the Protestant Bible read daily and pietist values inculcated, but in many jurisdictions being a Protestant church member was a literal requirement for teaching in the public school system.

The main point should be not to figure whose values are right or which mixture is most acceptable. The main point is that each set of combatants is trying to use the State to impose a dictatorship over every parent and child, regardless of their own values. One is trying to force a majority to accept hedonism and secular humanism; the other is trying to compel a minority to swallow the Protestant ethic.

The real lesson for both sides and everyone in-between is to get the State out of the educational picture altogether. The State has no business using taxpayer money to choose curricula, adopt textbooks, impose uniform values, or anything else. The very existence of the public school system creates continuing, irreconcilable conflict over deep-rooted values and ways of life.

If all education were private, then each set of parents and children could patronize whatever type of schooling or value systems they want. Religious or traditionalist parents could patronize their favored schools, while secular humanists could go to theirs. People could pursue their own values in peace.

Both groups might have to forgo the joy of coercing the unbeliever, but they would at least be free of the unbelievers breathing down *their own* necks. Only when the public school system has been abandoned will we be free of *any* group of tyrants who might wish to force their values, whatever they may be, down the throats of the rest of us.

Murray Rothbard is a professor of economics at Brooklyn Polytechnic Institute of New York and the author of numerous articles and books on economics, history, and the libertarian movement.

COMING ATTRACTIONS

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taxes

Can Barter Save You Taxes?

By Timothy Condon

"What about barter?" goes the question. "Can I save taxes by bartering goods or services I have to offer?" That's a question being heard more and more frequently by tax specialists these days. The answer, at this point, is unclear.

Barter? It's undeniably an effective, widespread, even *fun*, alternative to the heavily taxed "money economy." It also undeniably plays a part in the explosive growth of the so-called subterranean economy: the unreported, untaxed, uncontrolled "countereconomy" now assuming huge proportions in America—often estimated to involve as much as 20 to 40 percent of the country's *entire* GNP, which translates to *billions* of dollars. So naturally the IRS is taking heed.

With the growth of underground barter has come a growing *aboveground* barter movement. Barter "exchanges" are springing up and advertising all over the country. At first, many people assumed that exchanging goods or services for those offered by someone else would be tax-free. After all, where is the "income" to be taxed? Where did any cash change hands?

Unfortunately, that position turned out to be somewhat optimistic. In February 1980 the IRS established a "Barter Exchange Project" in conjunction with its new "Unreported Income Program," which involved coordinating the Examination, Collection, and Criminal Investigation divisions of the agency. The purpose of the project was to flush out and audit people suspected of participating in organized barter exchanges, which were then being puffed as *the answer* to exploding taxation. IRS agents were instructed to question people during audits as to barter activity, and returns in selected taxpayer categories were scanned to see if barter club fees were being deducted.

Predictably, the IRS soon issued a revenue ruling that defined most bartered goods and services as income subject to taxes: the fair market value of whatever you receive, when you receive it, is asserted to be income to you (one exception: tax-free exchanges under Internal Revenue Code sections 1031 through 1040). The war was recently stepped up when the US Court of Appeals for the Third Circuit ruled that the IRS has the right to demand and get a list from a barter exchange of all the names, addresses, and barter transactions engaged in during a two-year period by the members of the exchange (that position, incidentally, is disputed by other federal courts outside the Third Circuit, which covers Delaware, New Jersey, Pennsylvania, and the Virgin Islands).

Clearly, for many people, formally organized, public barter clubs and exchanges are not the answer. On the other hand, for those who don't go about bartering on a publicly organized basis, such activity is virtually impossible to detect as long as it doesn't get *too* large and one remains discreet.

Karl Hess, who has had an IRS lien against his earnings for years and who has lived largely through barter for much of that time, is *not* discreet. In a number of magazine articles, he has waxed poetic over the virtues of barter: "Being part of a transaction of barter means that you are an equal person, fairly exchanging. It is flesh and blood, human, face to face."

How to try this terrific idea out yourself? Well, first you might want to peruse some of the flock of books on the subject, including *Let's Try Barter*, by Charles Wilson, and *Barter: How to Get Almost Anything without Money*, by Constance Stapleton and Phyllis Richman.

More important, one needs to "get in the state of mind" for barter. The secret lies in actually *doing it.* Which is the problem with many people: barter is certainly an eminently reasonable idea. It increases your cash flow, it's inflation proof, it frees up cash for alternative uses, it makes you feel good and can even build feelings of camaraderie and neighborliness. But most people never actually *do* anything about it.

The solution is to "get in the habit of asking." If you want to do barter, you should know what you have to trade—whether skills, services, or goods. Then, whenever you deal with *anyone*—particularly professionals, the self-employed, and tradesmen—make it a point to ask if they might be interested in trading for something you have to give. Can't hurt to ask, right? And I'll tell you right now: you're going to be astounded by the number of people from all areas of endeavor who positively *leap* at the idea.

Now, one little warning. As mentioned above, the IRS thinks that all such transactions involve taxable income. Right now the law is on their side, since they *wrote* the law with their revenue rulings. And although their theory has yet to be validated by the US Supreme Court, it could well be in the future. Thus, if you're not involved in an organized barter exchange, you're supposed to keep your own records and report all such activity on your income tax returns. On the other hand, if you're a member of an exchange, they'll be happy to keep such records for you. . . and for the IRS.

Do you have a tax question? Mr. Condon may have the answer. Send your query along to REASON Taxes, Box 40105, Santa Barbara, CA 93103.

(A limited number of reader questions can be answered in print; personal replies cannot be made.)

Timothy Condon is a member of the bar and a tax specialist with the Condon & Vollrath Tax Service in Tampa, Florida.

QUOTABLE QUOTE

I began writing this book in 1975 as an ardent advocate of land-use planning and environmental legislation. I finished writing this book in 1979 as an opponent of environmental controls founded on the premise that progressively higher levels of government should tell individual citizens how they should behave in their management of land, the environment. I have not lost my personal desire to preserve and conserve the natural resources and natural beauty of our nation. I have found the root of most of our problems in our failure to define and protect individual and collective property rights to the use of the environment. Insofar as most land-use planning and environmental controls are directed to further attenuation of those rights or their redefinition to protect particular interest groups at the expense of others (usually the poor), I have come to expect that further governmental regulation of the environment is likely to exacerbate the problems of using natural resources in an efficient and equitable way.

—Gordon Bjork, in the introduction to his recently published book, *Life, Liberty, and Property*

health & welfare

Synthetic vs. Natural: Which Is Better?

By Durk Pearson and Sandy Shaw

We are often asked whether synthetic or natural nutrients are better for health. The function of a nutrient depends upon its chemical structure, not upon its source. A molecule of vitamin C is the same as any other molecule of vitamin C, whether it's made in a soft, green, leafy biological factory or in a shiny, man-made, stainless steel factory. However, advocates of natural vitamins and other nutrients suggest that these substances are often associated in plants with other valuable nutrients, such as bioflavonoids with vitamin C, so that it is better to use nutrients derived from natural sources.

Let's consider why a plant contains nutrients such as vitamins C and E. These vitamins and many other nutrients (for example, vitamins A, B-1, B-5, B-6, PABA, the amino acid cysteine, the minerals zinc and selenium, and others) are antioxidants—that is, they block certain uncontrolled spontaneous oxidation reactions that, if left unchecked, would damage various plant structures, including the DNA, their genetic blueprints.

Unsaturated fatty acids and structures containing large quantities of them (such as cell membranes and plant seeds) are particularly susceptible to these damaging oxidations. When these fatty acids become oxidized via exposure to air or to chemical oxidizers, they turn rancid.

Both the uncontrolled oxidation of the fat and the further chemical degradation of these chemically unstable rancid fats leads to the creation of highly chemically reactive and dangerous entities: free radicals. Their chemical reactivity is very promiscuous; they can attack any molecule in your body and are implicated as a major cause of cancer, cardiovascular disease, and aging. A lethal dose of x-rays kills because the x-rays produce free radicals in matter.

Some free radicals are more potent oxidizers than fluorine. These are so ubiquitous that every air-breathing organism on this planet is equipped with a battery of special enzymes and antioxidant nutrients to protect itself from damage by free radicals. Without these enzymes and antioxidants, ordinary air would quickly kill us, as well as all plants and microbes.

In a scientific study, it was found that plant seeds were less likely to germinate as the degree of oxidation of their lipids (fats and oils) increased (expressed mathematically as a negative-slope straight-line relation); almost all seeds germinated at low levels of fat oxidation, but none did so at high levels. The very high levels of antioxidants such as vitamins C and E contained by plant seeds are necessary so that the seeds can germinate.

But plants also contain many other substances to protect themselves from other enemies, such as animals that might eat them. For example, wheat germ (the embryo in a seed of wheat) contains not only high levels of vitamin E but also high levels of estrogens—female hormones. These hormones act as birth control pills that interfere with the reproductive cycle of female animals and also reduce the libido of male animals eating too much wheat, thereby reducing the number of offspring such animals produce.

Cold pressed wheat germ oil also contains considerable quantities of these hormones, so that if a man were to take large doses—say 2,000 IU a day—of natural vitamin E in the form of cold pressed wheat germ oil, he could suffer a reduced libido or even degeneration of the testicles. Indeed, there are more estrogens in a single slice of whole wheat bread than there are in a pound of DES (diethylstilbesterol)-treated calves' liver.

About 98 percent of the plant matter on this planet dies before it is eaten either by animals or by insects or by microbes because of contained toxins. Even plants that have been specially bred to be nontoxic, like potatoes and tomatoes, contain toxins that we can detoxify in small quantities at a time but that could kill us in large amounts, such as if we were taking megadoses of potato or tomato extracts. Highly purified natural vitamins, such as vacuum-distilled vitamin E, are nearly free of such toxins, but then there can be no advantage from possible unknown cofactors accompanying these vitamins.

In one study of the bioavailability of synthetic vitamin C versus natural vitamin C, the synthetic C turned out to be slightly more bioavailable (usable by the body). One reason for this is that the natural vitamin C is bound to certain plant structures it protects. In order for us to be able to get at this C, our digestive system must break down these plant structures. No such barriers exist in the use of synthetic vitamin C.

Bioflavonoids, which are synergistic in function with vitamin C, are contained in only very small quantities in crude vitamin C plant extracts. These bioflavonoids are, however, available inexpensively as relatively pure extracts that may also contain insignificant amounts of natural vitamin C.

Many people are allergic to plant substances contained in natural vitamins. We have heard of numerous cases of allergic reactions to products advertised as containing natural C, but never to pure synthetic C crystals.

Finally, synthetic vitamins are less expensive than natural vitamins. Natural vitamin C is a very expensive laboratory curiosity; it costs over $1,000 per kilogram. So-called natural vitamin C sold in health food stores is really almost entirely synthetic vitamin C plus a trace of natural C and other plant extractables, sometimes including allergens and insignificant amounts of plant toxins. When you pay a premium for "natural" vitamin C, you are shelling out your money to pay for a fantasy.

But don't worry about the slightly lower bioavailability of natural vitamin C extract; there is so little of it in so-called natural vitamin C that the impaired absorption is irrelevant. The scientific studies showing beneficial uses for vitamins have, in almost all cases, used synthetic vitamins, so that it is possible to attribute the results to a single vitamin under study. As a result, we generally use synthetic vitamins and consider them to be far more cost-effective than natural vitamins (the exception is vitamin B-12, which is most economically produced by fermentation).

A list of scientific literature on this topic is available. Send a stamped, self-addressed envelope to this publication, referring to the date of this issue.

Send reader questions to Health & Welfare, Box 40105, Santa Barbara, CA 93103.

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Sandy Shaw and Durk Pearson are consulting scientists, authors, and TV personalities.

spotlight

The Man with the Golden Bonds

By Patrick Cox

"A promise is a promise," says Robert Ellison. "The most important thing to a society is its money. The integrity of the free-market system is based upon contract law, which is denominated in terms of money. That monetary unit must be fixed in a standard."

The promise that Ellison is referring to involves approximately $750 million worth of corporate bonds and about $250 million in municipal obligations issued before 1933—with gold clauses. Those long-term obligations stipulate that the principal and interest will be payable in "gold coin of the United States of the present standard of weight and fineness." Of course, since 1933, they haven't been so paid. When the US government in its infinite wisdom decided in that year that it would be illegal for its subjects to own gold except in the form of jewelry, the metal cost about $20.67 an ounce. If the issuers of the original gold-backed bonds were to be held to the terms of their issues, the value of the bonds would jump from about $1 billion then to about $20 billion today (with gold at $400 an ounce).

Ellison is spearheading an effort to force the issuers of gold-backed bonds to pay up. He is founder and executive director of the Gold Bondholders Protective Council, a group whose members include: John Roosevelt, the son of President Franklin D. Roosevelt, who signed the 1933 legislation that canceled gold clauses and outlawed the private ownership of gold; Norbert Einstein, first cousin to physicist Albert and a noted hard-money economist; Sen. Barry Goldwater; financial columnist Eliot Janeway; former vice-president of Citicorp John Exter; former *Bond Buyer Guide* editor Paul Heffernan; and Kenneth Spang, once the president of the Foreign Bondholders Protective Council, which looked after the interests of those who held bonds from countries that defaulted as a result of World War II.

The Protective Council is pressing its legal battle in Alaska, because the Klondike state of all 50 states is generally thought to be the most sympathetic to hard money. Alaskan law actually requires that a certain percentage of state and municipal pensions be invested in gold bullion.

Given the billions of dollars at stake, the suit will undoubtedly be appealed, eventually to the Supreme Court. Since US citizens can now (as of 1977) own gold, many people—not including the companies that issued the bonds—think that the terms of the bonds should be honored. The Supreme Court has ruled on the question in a variety of ways over the years, but Ellison thinks that the precedents are on his side.

Perhaps the most interesting ruling is *Perry* v. *United States,* which was fought over gold-backed World War I liberty bonds. According to Ellison, the Court affirmed an earlier ruling that it was unconstitutional for Congress to abrogate the gold clause in the payment of a public debt but said the ruling could not be enforced because gold was a controlled substance. Another confusing legal position came about in 1977 when Congress passed a law making the 1933 prohibition of gold clauses inapplicable to issues made after October 28, 1977—but made no mention of contracts entered into before 1933.

Robert A. Ellison

Bonds with gold clauses are beginning to show a slight premium when compared to bonds issued at the same time with the same interest rates, according to Ellison. He conjectures that the companies with large outstanding gold-backed obligations may be getting nervous and have started buying those bonds back. (All of these bonds are non-callable—that is, not subject to redemption upon the issuer's demand.) These gold-backed debtors are putting large sums of money into legal preparation for the eventual case. Meanwhile, Robert Ellison is paid by the council in pre-1933 gold-backed bonds.

Ellison is a fascinating character. A chess player and hang-gliding enthusiast, he came to libertarian conclusions while traveling the world. Twenty years ago he went to the Middle East, where he studied, worked, taught in Egyptian and Moroccan universities, worked for the United States Agency for International Development, and eventually married his Armenian wife in Cairo. He lived in Europe and Canada and finally returned to America in 1976.

He worked for several investment firms in the first few years back in the United States, but he eventually gave all of his time to the Protective Council, founded in 1978. "I discovered this situation with gold bonds purely by accident," Ellison says. "I stumbled into it. I read a book called *The History of Interest Rates* by Sidney Homer that covered about 5,000 years....I found bond issues quoted that had maturities of 50, 200, 500, even 1,000 years. Realizing that we were on a gold standard for more than 100 years, I was led to believe that some of those gold-backed bonds might still be outstanding today."

Having found the gold-clause issues, Ellison has embarked on a full-time crusade to force the issuers of those bonds to live up to the terms of their contracts. Ellison has been compared to the alchemists of the medieval ages, attempting to turn paper into gold. But *Forbes* magazine, *Dun's Review,* the *Wall Street Journal,* the *Washington Post,* and the *U.S. News Washington Letter* are following Ellison's battle with interest—partly because court decisions favorable to the council's position could cause frenzied trading in gold-backed bonds, but partly because the issue is one that highlights the effects of government interference in the marketplace and the tremendous gains and losses that can follow from political decisions.

Ellison declares that the government has no business protecting corporations from their obligations. "A promise is a promise."

Patrick Cox is a free-lance writer.

arts & letters

movies

Raiders of the Lost Ark
Clash of the Titans
Moscow Does Not Believe in Tears
The Fan

Reviewed by John Hospers

• The plot is sheer hokum: the search for the Ark of the Covenant—the ornate chest that is supposed to contain the original Ten Commandments as given to Moses on Mount Sinai. No, it's not a biblical film; it's an anti-Nazi film. For some far-out reason, Hitler is anxious to get hold of the ark, which he believes has rested all these years in a crypt in Egypt. To lay claim to it before the Nazis do, the **RAIDERS OF THE LOST ARK** do their hair-raising bit, from South American jungles (quite irrelevant to the remainder of the story) to Tibet (dragged in by the hair) to Egypt and finally the islands of the Mediterranean. But the two movie wizards, George Lucas and Steven Spielberg, make it continuously suspenseful, with hardly a moment between one episode and the next to recover our breath. Quite understandably, it's the most popular film of 1981.

Old-fashioned romanticism is triumphant once more. Our hero wins against dizzying odds in one escapade after another, even when surrounded by bands of Nazis with machine guns or by hundreds of poisonous snakes. The probability of his escaping alive from these situations is infinitesimal, but credibility flies with the wind as the momentum begins with the first minute and never lets up. Only toward the end do we get De Mille-style special effects, presumably of divine origin, the moral of which seems to be, "Don't tamper with sacred objects," though one would have thought that it would be the divine wish to have the Decalogue disseminated.

The main character is a "total hero," with no discernible defects of either character or strategy: always cool, always in control. The degree of audience identification with him is high from the start and constantly rises. A combination of John Wayne and Humphrey Bogart (complete with hat), Harrison Ford plays the part with aplomb and is likely to begin a new hero cult in an antihero decade of films. The psychological roots of the fascination run deep, and it is popular for the same reason that *The Perils of Pauline* was popular. Indeed, this film is an updated continuation of those episodes.

• If you have been fascinated by the Greek myth of Perseus and Andromeda, you may be led to see the celebration of this story on film, **CLASH OF THE TITANS.** But the film will soon make you aware that these myths live better in the imagination than on the silver screen. Whereas scenes can be imagined with appropriate vagueness, film must show them in full explicitness, thus destroying the illusion.

The Medusa, to see whom is to turn to stone, is well enough exhibited for us, along with sundry monsters, two-headed dogs, and other mythic paraphernalia. But one can hardly believe that the original characters in the story behaved in quite so wooden a fashion. Zeus (Laurence Olivier) and his entourage of gods and goddesses are shown as determining all earthly events from their palaces among the clouds (white robes, light blue draperies), but one is at a loss to know why they decide what the earthlings are to do when they are assigned to do them, while the poor mortals go through the motions thinking they are doing them of their own free will.

There is one redeeming feature in the film—the ingenious use of special effects. Pegasus, the flying horse, is a bit clumsy at times, but the mechanical owl who obeys human commands is quite wonderful. Of all the characters in the film, this is the only one that has been conceived and executed with verve, imagination, and a sense of humor.

• It is possible to go 20 miles from Moscow and be in the 18th century, with no electricity or plumbing and farmers who are like serfs, eking out a meager living from land they do not own and requiring a passport to go into the city and then only to take crops to market. Moscow is viewed as the center of light and life, to which everyone who craves any kind of culture or civilized life wishes to go.

And yet it is this very same Moscow life that is described by one of the characters in George Feifer's book *Moscow Farewell* in a very different way: "This insipid, dingy, dreary life—who cares about pulling out of it? We have no art, no literature, nothing true—only propaganda to keep us morons. You wish you'd been born a century earlier, before the desecration called Soviet rule; or a hundred years from now, when the specter of some civilization may again haunt our land." Because no one knows who may be a KGB plant, everyone is suspicious; but once people take you into their trust, it is total, and human relations are much more intense than in the West.

This face of Moscow life never comes to light in **MOSCOW DOES NOT BELIEVE IN TEARS**, the Soviet film that won the Academy Award as the best foreign film of 1980. It should never have won over Kurosawa's *Kagemusha.* Yet, though its picture of Moscow life is much too flattering (working-class apartments aren't that luxurious), and though it says nothing about the police-state aspects of Soviet existence, it is a pleasing and touching film, full of sentiment as well as sentimentality, continuously absorbing and extremely well scripted. It is a story of love, longing, unfulfilled dreams, frustrated hopes, and renewed life. The story told could have taken place almost anywhere.

Two girls come to Moscow, the first to find a dashing and well-paid husband, the second to find relief from boredom and a career. The first must settle for far less than she had expected, and the second becomes mother to a child by a television newscaster who abandons her. The time span covers over 20 years: the first girl's husband becomes an alcoholic, and the second, after years of loneliness, finds the love she has long sought. One scene alone, in which a man meets her in a subway train and wins her heart almost on the spot, makes the picture worth seeing all by itself, by its poignancy, its delicacy of feeling, and its careful character delineation. It may not be the real Moscow, but as a portrait of human hopes and disappointments at any place or time, it rings touchingly true.

• Lauren Bacall pretty much portrays her own career in **THE FAN**, and James Garner is adequate enough as her ex-husband. But the most fully wrought character is Michael Biehn as the passionate fan of Bacall's who turns gradu-

ally vicious when he is ignored. The film's format is that of a mystery story, and if it were only that it would be something less than totally engaging. But in the midst of the development of this story, something else gradually unfolds which is psychologically quite interesting—the pathology of a young adult who has never outgrown his childish impulses of rage and revenge and who kills when he can't get his way. For this character analysis, but not for too much else, the film may be worth seeing.

John Hospers is a professor of philosophy at the University of Southern California. His book Understanding the Arts *will be published this year by Prentice Hall.*

language

The Little Old Lady and the Linguist

By Richard N. Mitchell

Once in a while, just to see how the other half lives, you ought to read *Today's Education,* an uplift and self-help journal put out by the National Education Association, a trade union, for the aid and abettance of its members. The articles are often remarkable demonstrations of the encouraging fact that you don't need a sense of humor in order to write funny copy.

In the April-May issue of that journal, we discovered a mildly entertaining piece by one James C. Bostain, identified only as "Linguist and Lecturer on Language" in Alexandria, Virginia. He is displeased with some supposed "grammarians" who claim that their "rules" are statements of fact rather than judgments.

Bostain starts off by solemnly announcing—keeping a straight face is especially important for a humorist—that " 'I didn't eat nothing' is simply an alternative form of 'I didn't eat anything.' " From that only slightly muddled revelation (the second is not precisely a *form* of the first, except to those uninterested in fine distinctions), he goes on to "argue" thus:

> *Grammarians, trying to unify the three R's by making the principles of language as absolute as those of arithmetic, feel that a linguistic double negative* ought *to have a positive significance. Sometimes they feel so strongly on the question that, in the face of all the evidence, they assert that it* does *have a positive significance. This is a free country. We are entitled to our wishes and opinions, but it is important not to confuse them with facts.*

Well, we figured that if there were *one* living grammarian on the face of the earth who might take such a feisty stand, it just *had* to be our faithful subscriber and friend, retired English (and Latin) teacher, and constant correspondent, forever fuming over the needlessly split infinitive and announcing, from the evidence of certain subtle but indubitable violations of the principle of parallel structure in the *National Review,* the imminent collapse of Western Culture as we know it, that implacable Grendel's Mother of grouchy grammarians, the Little Old Lady in Dubuque.

Persnickety? That dear lady is *so* persnickety that she wouldn't even hesitate to waggle her finger right in the face of a Linguist and Lecturer on Language who was so disrespectful of language as to say that one sentence is an "alternative form" of another. We can hear her now, patiently explaining that those who *want* to think precisely will be *delighted* to observe the purely conventional and so very useful distinction provided by *alternative* and *alternate.* They will *not,* therefore, heedlessly—and even *rudely,* as a gratuitous violation of one of the conventions that make civilization possible—use *alternative* as an alternate "form" of *alternate.*

"The greater your power of clear and accurate statement, the better your judgment."

So we sent our man in Dubuque to discover what that famous fussbudget had to say about the double negative:

OUR MAN: Is it your understanding, Ma'am, that a boy who says that he didn't eat nothing is *really* saying that he did eat something?

LITTLE OLD LADY: Pshaw! What it *means,* young man, is that unless someone cares enough to rap him a good one across the knuckles now and then, the poor child will be a little hungry all his life.

OM: But, Ma'am, what about this Mr. Bostain? He's an actual Linguist and Lecturer on Language. He's even good enough for the National Education Association, a very exclusive society devoted entirely to the life of the mind and made up of the nation's most accomplished scholars and intellectuals. Bostain is sure that grammarians like you will insist that a double negative *does* have "a positive significance."

LOL: Land o' Goshen. I'm not sure *what* to say to that. "I didn't eat nothing" surely *does* have a "positive significance." It's explicit and unqualified. What it does *not* have, as anyone who speaks English can tell, is an "affirmative meaning." It is only in a few contexts that *positive* is an appropriate antonym of *negative.*

OM: But haven't you proved Bostain's point? Although what he says is no less "wrong" than that double negative, you *were* able to understand him.

LOL: Well, bless your heart, young man, of *course* I was. But Mr. Bostain *does* require some figuring out, which is not the case with that neglected tyke who says that he didn't eat nothing. However, if it is Mr. Bostain's "point" that thoughtful and educated readers *can* figure out what language like his *probably* means, then I do agree. But I also believe that a man who styles himself a Linguist and Lecturer on Language owes us something better than a *probable* meaning. He should at least try to be as clear as the little boy who didn't eat nothing. We don't have to figure out what it is *he* means. Furthermore, that child *doesn't* owe us anything; he does not pretend to instruct us.

OM: Are those *facts,* Ma'am, or wishes and opinions?

LOL: They are *judgments,* sonny. They are *statements* about *worth,* reached through an intellectual process that depends on other *statements.* The greater your power of clear and accurate statement, the better your judgment.

OM: But Bostain says that you grammarians confuse your opinions and wishes with facts. Mightn't he say the same of your judgment?

LOL: He well might. Indeed, it seems inevitable. A man who speaks of confusing opinions and wishes with facts when he probably means *mistaking* wishes and opinions *for* facts seems little likely to have either the power or the habit of thoughtful discrimination, which would protect him from mistaking *his* wishes and opinions, and even his pretenses, for facts.

She *is* a hard case. But she's a teacher, and she asked us to send on to the "poor man" the one, absolute rule of grammar that might improve him: Silence is golden.

Richard Mitchell is the author of Less Than Words Can Say *and the publisher of the* Underground Grammarian, *from which this column is adapted.*

books

Preventing Cancer Is up to You

Preventing Cancer.
By Elizabeth Whelan.
New York: W. W. Norton.
1980. 285 pp. $9.95.

Reviewed by Howard Maccabee

Out of a hundred diseases, fifty are caused by our own faults, forty by our carelessness.

—Paul Mantegazza,
quoted on the frontispiece

Yes, this may apply to the hundred diseases that we call "cancer," according to Elizabeth Whelan's splendid book. The central message is that you are not only most responsible for your own health but are also the central agent in preventing cancer in your own body. Her claim is that, "by following the advice in this book, you will, on the average, reduce your chances of developing cancer by some 20 to 50 percent or more."

Whelan, a researcher at the Harvard School of Public Health and director of the American Council on Science and Health, qualifies this claim by noting the obvious—that the potential benefit to a young person is much greater than that to a 60-year-old with a 40-year history of smoking two packs a day. This latter sad example already has a statistical probability of more than 50 percent of having a tumor growing in his lung and upper air and food passages or in his bladder or of having crippling emphysema or heart disease. Nevertheless, even such an individual can benefit from a change in habits. For example, a recent study has shown that in one type of lung cancer, patients who stop smoking live longer than those who continue to smoke.

Most of Whelan's book is occupied with specific discussions of factors *known* to increase the chance of developing cancer and some "much-talked-about factors which have *never* been shown to increase your odds on developing cancer." The proven risk factors include:

tobacco smoking
certain dietary influences
excessive alcohol consumption
exposure to excessive radiation
excessive sun exposure
certain drugs and hormones
poor sexual hygiene
occupational hazards

The unproven risk factors include:
"chemicals" and additives in food
"stress"
air pollution

The final portion of the book is a summary discussion with an attempt to put the specifics into a general perspective, some surprising recommendations for public policy, and several appendices with practical tips for quitting cigarettes, eating prudently, and recognizing cancer warning signals.

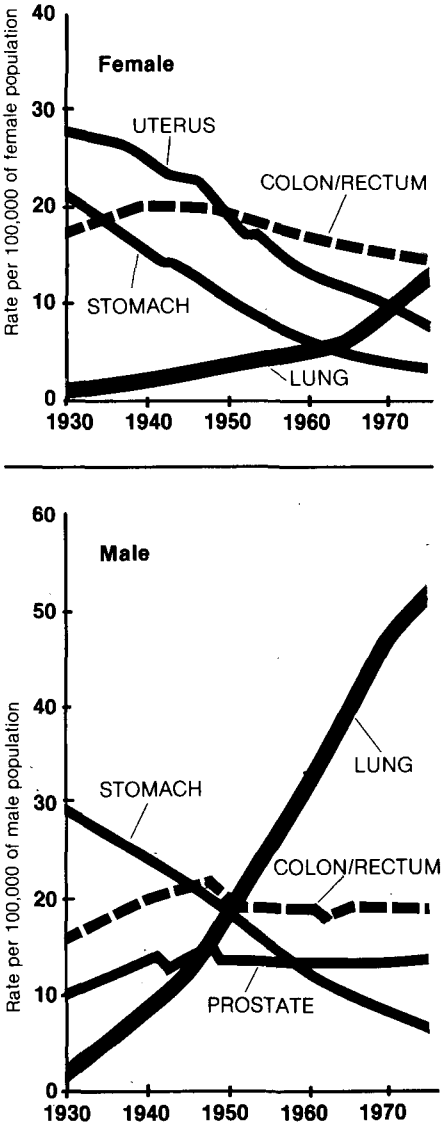
Let's get down to specifics: cigarette smoking is the most important cause of preventable cancers in the United States. It causes more than 90 percent of the lung cancers (an estimated 90,000 deaths this year) and is an important risk factor in cancers of the head and neck region, the esophagus and the pancreas, and the bladder. It is therefore involved in more than one quarter of the cancer deaths per year in the United States. Thus, if you can eliminate your cigarette habit early in life, you can reduce your cancer risk by 25 percent from this factor alone.

Maybe I can help you with some calculations. On average, the life expectancy of a one-pack-a-day smoker is about seven years less than that of a nonsmoker. If you divide the number of minutes in seven years by the number of cigarettes smoked in a 40-year habit (not unusual), the result is an estimate of life expectancy decreased per cigarette. It is a staggering *12 minutes lost per cigarette smoked*! The crushing realization is that this is even more time than is spent "enjoying" the smoke.

Contrary to public misimpressions, *there is not an epidemic of cancer.* If lung cancer is not counted and cancer death rates are adjusted for the fact that the average age of our population is increasing, then the total death rate from cancer is *decreasing.* It is only the impact of the rapid increase of lung cancer in the past 40 years (since cigarettes became popular) that causes the overall total to be increasing (see graphs).

Diet may be the next most important factor in cancers. Whelan states that many epidemiologists now believe that as many as 50 percent of cancers in women and 30 percent in men are the result of an imprudent diet. The evidence for this comes largely from comparisons of rates of cancer of the breast, prostate, and colon, which are much higher in countries like the United States, Canada, and Denmark than in countries like Costa Rica, Bulgaria, and Japan. These latter countries, however, have much higher rates of stomach cancer. But the variations do not seem to be due to a genetic difference, for when Japanese people move to Hawaii or the mainland and adopt American habits and lifestyles, their cancer rates tend to change and become like ours.

So diet differences are a reasonable factor to investigate, and detailed comparisons have shown a correlation between colon, breast, and prostate cancer rates and the intake of *fat,* particularly animal fat. This is buttressed by some laboratory studies on animals, but Whelan is the first to admit that the evidence for the linkage between high-fat diet and cancer is still very "preliminary." It is nowhere near as firm as is



While death rates for many cancers have declined or increased slowly, lung cancer death rates have climbed for men since the 1930s and for women since the 1960s, pushing up *combined* cancer death rates.

the evidence for the link between cigarette smoking and lung cancer, for example.

The "fat-intake theory" has recently been brought into question, however, by the results of another epidemiology study of 691 cases of cancer over 24 years, in 5,209 people from Framingham, Massachusetts. In this group, men with high levels of cholesterol were found to have significantly *fewer* cancers than men with low cholesterol levels. The most spectacular finding was that men with very high serum cholesterol levels (over 280) had less than 10 percent the incidence of colon cancer found in men with very low levels (less than 190).

Since high cholesterol level is ostensibly associated with high fat intake, this new evidence seems to indirectly contradict the fat-intake theory. Please, dear reader, do not take this as a cue to drastically increase your intake of saturated fats. One of the possible interpretations of the Framingham study is that the very-high-cholesterol men may have developed fewer cancers because they were dying early of heart disease.

Do Whelan's arguments have implications for human affairs? I believe that they point in the direction of "medical individualism"—treating each person as the primary determinant of his or her own health, through behavior such as smoking, diet, alcohol, exercise, and adaptation to stress.

The alternative to medical individualism is "medical collectivism"—the idea that legislation, spending more tax money, and increasing government control of and involvement in medicine are useful ways of improving health. The events of the past 15 years, however, have shown that such measures can do a great deal to increase the prices and total costs of health "*care*" but not very much to improve the status of health itself.

Simple-minded environmentalism is another variation of collectivist thinking about preventing cancer. Environmentalists have often obtained support for their proposals by exploiting cancer phobia in the public. As Whelan states, "It is now widely accepted that 70 to 90 percent of all human cancer is induced by environmental causes." And environmentalists repeat such statistics to support their cause. What they don't point out, though—and Whelan does—is that "environmental causes" here means any external factors, and not just "chemicals" in the air and water. In fact, the types of pollution that most people accept as truly environmental are described by Whelan as "factors which have never been shown to increase your odds on developing cancer."

What, then, can you do and not do to prevent cancer?

• *Stop smoking cigarettes.* If you cannot break your addiction, Whelan offers advice to decrease your risk: use only low-tar filter cigarettes; limit yourself to less than eight cigarettes daily; do not inhale deeply; discard cigarettes after smoking halfway; don't drink alcoholic beverages—alcohol seems to enhance the carcinogenic effect of tobacco.

• *Don't expect government programs to save you.* The "war on cancer" initiated by President Nixon and the National Cancer Institute has not been won. The major casualty has been the credibility of the oncology research community. The NCI asked the virologists, the immunologists, and the chemotherapists what was needed, and guess what their suggestions were? Of course, more money for research in virology, immunology, and new chemotherapy drugs. They discovered much more about what they didn't know than about how to cure or prevent cancer.

There *have* been dramatic advances in treatment effectiveness in childhood cancers and tumors affecting young adults. But cure rates generally creep upward at a few percent at a time, with few great "breakthroughs" like the increase in cures of localized Hodgkin's lymphoma from 10-20 percent in the '50s to 80-90 percent now, by the use of aggressive radiation therapy and multidrug chemotherapy.

• *Abolish the Delaney clause.* This 1958 amendment to the Food, Drug, and Cosmetic Act requires that any additive be banned if it is found to cause cancer in any experiment, in any animal, at any concentration. Whelan shows quite well that the clause, because of its absolutist and arbitrary approach to questions of great scientific complexity, does much more harm than good. It causes attention and funds to be poured into problems that have little medical importance, such as the miniscule risk from saccharin, and adds to cancer phobia in the public. If its philosophy were applied to oral contraceptives, the "pill" would have to be banned, because "all estrogens have carcinogenic properties" in some settings. Penicillin would also have to be banned, as it can cause cancer in some animals, although it has no known cancer-causing effect in humans. The net result is to remove effort from much more important tasks in cancer prevention.

• *Read* Preventing Cancer *by Dr. Elizabeth Whelan.* The book is well written and easy to understand, with clearly posed arguments and succinct useful tips on how to cut your personal risk by modifying your habits with respect to food, alcohol, sun exposure, sex, and drugs. Because some of the evidence on diet, etc., is still somewhat controversial, you may want to take some of the advice "with a grain of salt," but it will serve you well to be informed of current knowledge as new controversies erupt and new scare stories are trumpeted in the news.

Since there is no other book like this, Whelan's contribution, in terms of potential cancers prevented and lives saved, is immense. I salute her for writing *a book that matters.*

Howard Maccabee is a radiation oncology specialist who switched from nuclear engineering to medicine and recently established a private practice in northern California.

NASA, Go Home!

The Space Enterprise.
By G. Harry Stine.
New York: Ace Books. 1980.
226 pp. $6.95.

Reviewed by John Ahrens

Although with the successful Space Shuttle run in April NASA has won the race to launch the first reusable space truck, there are quite a few entrepreneurs still hard at work on competitive private versions of a space truck. Between the West German firm OTRAG and various American individuals such as Robert Truax and Gary Hudson, it doesn't look like NASA will have the earth-to-space route monopoly for long. And G. Harry Stine's latest book fits right in with these developments. Stine suggests, not a government-run program with predominantly political goals, but one that is privately financed and managed—and operating in the black.

Stine, an engineer, devotes much of the book to a discussion of the technological aspects of space industrialization. In layman's terms, he explains the industrial processes that can be used only in space or, at least, most efficiently in space. He also sketches a 30-year scenario for the development of these opportunities and bedazzles the reader with an array of products that we can expect from the space enterprise.

The gravity-free environment will allow the production of alloys and phar-

maceuticals that it is virtually impossible to manufacture on earth. Solar power satellites can be built where they will be exposed to nearly constant sunlight. Eventually, the moon and the asteroid belt will be the site of vast mining enterprises. And one of the most desirable side effects of the move into space will be the virtual elimination of pollution problems on earth.

Perhaps the most interesting section of Stine's book is the chapter on financing the space enterprise. Establishing a thriving industrial community in space will require several hundred billion dollars, at least, over the next 30 years. While this may not seem like a great deal of money compared to the annual budget of the federal government, it is certainly more than any single company can afford to commit, especially on an enterprise that is extremely risky and has a long (in excess of 15 to 20 years) payback period.

Stine bedazzles the reader with an array of products that we can expect from space industrialization.

According to Stine, it is the consensus of many people in business that the space enterprise would be much more attractive if some way could be found to get the government to assume some of the risk or to allow them to spread the risk without running afoul of antitrust regulations. Nonetheless, Stine is hopeful. He points out that there is a long history in this country of cooperation between government and the private sector to meet the unique needs of new enterprises.

Stine's list of examples of cooperation between government and the private sector is none too encouraging, however. Railroads, highways, the Panama Canal, and the postal system are surely not the best models for the space enterprise. There can be no doubt that all these brought enormous benefits, especially at the outset. But in recent years, all have suffered enormous difficulties, directly attributable to government involvement.

The financial obstacles that space development must overcome are not unique; virtually any high-technology enterprise requires a massive capital investment and is extremely risky. The nuclear industry is an excellent example of what happens when we rely on government involvement to overcome these obstacles. Whether one is for nuclear power or against it, one thing is clear: the nuclear industry is a mess.

The government aggressively promoted nuclear energy with promises of financial support and protective legislation. Nuclear energy was pushed onto the market before it was called for and before the utility companies were ready to cope with the problems posed by this new and highly complex technology. When the public complained, the government responded with regulations that did little, if anything, to help overcome these problems.

Much of the public now views nuclear energy as a massive tax rip-off for the benefit of the corporations, besides being unsafe. Government involvement has so distorted the industry's development that we may never have the opportunity to find out whether nuclear energy is commercially viable at a safety level acceptable to the public.

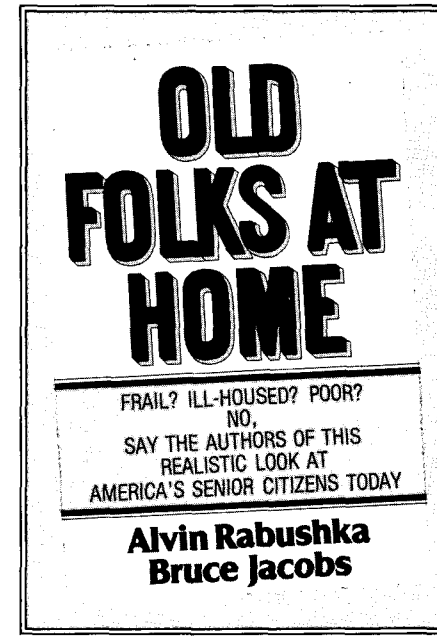
The space enterprise is particularly vulnerable to this kind of problem. Since its inception, the space program has been viewed by many as foolish and wasteful. If the government becomes too heavily involved in the attempt to industrialize space, this opposition is likely to grow. And no doubt the politicians will exploit this opposition just as they have exploited the opposition to nuclear energy. If the space enterprise is commercially viable—and Stine makes a very persuasive case that it is—government involvement is likely to be more of a hindrance than anything else.

Stine does discuss one sort of financial arrangement that does not rely on government involvement. A staging company, International Satellite Systems, Inc. (ISI), established by Christian O. Basler, is a unique form of business organization. ISI began as an investment company whose charter commits it to investing in companies likely to profit from space industrialization. At the same time, all its profits are to be used for contracts with these companies for R&D on various aspects of space industrialization. If the R&D is successful and space industrialization proves to be commercially viable, then ISI will profit at the same time as it finances the space enterprise. Once the space enterprise proves to be commercially viable, ISI will become an operating company engaged in space industrialization.

Stine predicts that ISI will not run afoul of the law, since Basler is an expert in antitrust and SEC regulations. If this proves to be true, and if the space enterprise proves to be commercially viable, we will no doubt see many of these staging companies in the future.

For old space buffs like myself, Stine's book is like a breath of fresh air. If the government allows the Shuttle Program to be taken over by a private company (Boeing wants to do just this), and if it doesn't find a way to hamstring staging companies like ISI, the move into space may yet take place.

John Ahrens is an assistant professor of philosophy at Bowling Green State University.



Polishing up the Golden Years

Old Folks at Home
By Alvin Rabushka and Bruce Jacobs. New York: Free Press. 1980. 202 pp. $10.95.

Reviewed by Charles D. Hobbs

For the sake of the nation's self-image, I'm glad Ronald Reagan is as old as he is. I believe he exudes vitality and good humor *because* of his age, rather than in spite of it. To be old, these days, is to be fashionable: Reagan's generation is receiving all of the scholarly concern, public attention, and government handouts. The spotlight of intergenerational politics has been turned on senior citizens, and their response merely reconfirms the Hawthorne effect. If Reagan were a generation younger, he might not have the pep to be mayor of Palm Springs.

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We "Depression babies," who *are* a generation younger, have grown somewhat disenchanted with intergenerational politics, and understandably so. Twenty years ago we were guilty parents; today, we're guilty children. The wave of the baby boom has rolled on into adulthood, pushing ahead of it the wave of the grandparent boom, and those meager and overworked few of us in the trough between have been forced to support both.

Now we're told not to expect as much, when we retire, in the way of social security and the other benefits we have so generously supplied to our elders. Not that we ever did expect much: my generation has been conditioned by the breast-beaters and bureaucrats to believe that it is more blessed to give windfalls than to receive one's due.

At least we have had the satisfaction of knowing that our sacrifice is in a good cause: that the elderly in our society are the truly needy, who "struggle to survive in an inhospitable world" and whose lives would be intolerable and maybe even forfeit if not for our collective beneficence. Right? Wrong!

Alvin Rabushka and Bruce Jacobs add the insult of conservative research to the injury of liberal taxation by presenting convincing data that our senior citizens are much better off than we've been led to believe and would just as soon get along without a lot of our institutionalized generosity. "They are, for the most part, self-supporting adults, who live in dignity and independence" and whose self-image "is one of normal living, not that of perpetual crisis."

Rabushka and Jacobs's conclusions are the result of an in-depth survey of 1,575 elderly homeowners in seven representative communities across the country, supplemented by analyses of other recent and comparable studies. Although in the basic study only homeowners were interviewed, the authors treat their results as generally valid for all of the elderly, since two-thirds of those over 65 live in their own homes and less than 5 percent live in institutions.

The book's most telling point is that "the problems of aging are of two kinds: those that older people say they have and those that experts think they have." In their survey the "needs" determined by the experts consistently and dramatically surpass the personal preferences of those interviewed.

For example, three-quarters of those interviewed felt that expert appraisals of needed housing repairs were excessive. Despite the expert opinion that elderly "life is lived in a kind of solitary confinement," three-quarters of those interviewed denied feeling more isolated from society as they grew older. And in a marvelous example of the brainwashing effect of "expert" opinion, an example cited by the authors from a 1974 Louis Harris survey, half of the elderly respondents thought that most people over 65 were in poor health, but only 21 percent put themselves in that category.

The authors' recommendations for policy changes are modest and practical. They range from reverse mortgage-based annuities to elderly income tax credits instead of exemptions to the elimination of minimum wage laws for the elderly and the abolition of mandatory retirement.

There are only two things wrong with *Old Folks at Home.* The first is its maudlin and inapt title. The second is its timid tone: those who are as able to destroy the myths of the welfare industry as Rabushka and Jacobs should do so in a much louder voice.

Charles Hobbs is a consultant and a coauthor of Retirement Security Reform *(Institute for Liberty and Community).*

Coerced Contraception: A Bitter Pill

The Politics of Contraception.
By Carl Djerassi.
New York: W. W. Norton. 1980. 274 pp. $10.95.

Reviewed by Lou Villadsen

Birth control—family planning—fertility regulation—contraception. Almost everyone uses it at some time, even those who don't usually have opinions on who should be allowed (or forced) to use which method. Many books, a few of them accurate and unbiased, have been written about what Carl Djerassi calls "hardware": the methods themselves and how they work. In *The Politics of Contraception* Dr. Djerassi has concentrated on the "software": the how and why of research and marketing.

Djerassi is both a respected scientist—one of the early developers of the pill—and the president of a pharmaceutical firm. He is thus in a unique position to understand and report on the effects of increasingly stringent controls imposed on researchers by the Food and Drug Administration.

Since 1962, when it began to concern itself in an organized way with the protocols leading up to clinical trials of new drugs, the FDA has grown more and more responsive to those consumer advocates who are bent on eliminating risk while still demanding technological advances. The drug companies, meanwhile, are less and less willing to invest in expensive, time-consuming research unless the end result is likely to be a marketable product.

We may rage empathetically at descriptions of the extraordinarily long critical path all pharmaceuticals must now travel on their way from theory to consumer, and we may applaud suggestions to improve bureaucratic procedures by acknowledging that "in drug research, the absence of risk is equivalent to the absence of progress and time is the most expensive commodity," (in terms of lives that might have been saved or suffering that might have been averted). Unfortunately, Djerassi's cure is worse than the disease: a new government agency to oversee and stimulate (fund?) the research leading to FDA approval of new drugs as they are ready to enter the marketplace. Perhaps worse is the recommendation that, because of the "global" nature and importance of fertility control, contraceptives should be regulated not by the FDA but by an international agency such as the World Health Organization.

The book is clearly and engagingly written; topics that appear almost unrelated at first glance have been tied together by a man who obviously understands that the world is not a simple, divisible place: anatomy, chemistry, the role of the press, prolonged lactation and urbanization, contraceptive practices in China. Again and again, Dr. Djerassi points out that both hardware and software needs are different where there is no running water and where the maternal mortality rate may be as much as 200 times higher than in the industrialized West. There *is* an occasional note of exasperated defensiveness, especially when the pill is being discussed; but given his connection with its development, the presentation is relatively free of bias.

In view of suggestions from other quarters that the solution to the population problem is compulsory fertility control, it's a relief to be told that, including the male pill, there will be no radically new methods widely available in the next decade. Djerassi takes obvious enjoyment in pointing out the technical difficulties that preclude adding contraceptives to water or to staple foods such as

rice or salt; it may be possible to encroach on individual rights within the next 25 years via such immunization programs *if* the software problems can be solved. Bernard Berelson is quoted as saying, "Some costs. . .are too high, for population control is not the final value." Djerassi's agreement with that statement is implied throughout the book. I only wish he had made a similarly straightforward statement of his own.

Lou Villadsen has been working for Planned Parenthood in Santa Barbara for several years.

letters

(Continued from p. 10.)

there is no evidence in Haig documents that any more than 10 or 20 tons of military equipment were ever shipped to El Salvador—far, far less than the tonnage of arms shipped from the United States, Israel, and other Western allies to the Salvadoran government.

In general, the Haig documents are a con job on the public. He was obviously counting on a lazy press picking up his charges without bothering even to read the documents upon which he explicitly based them.

What about the charge that most of the weapons used by the guerrillas were foreign-made? The answer to that one is simple: *all* weapons in El Salvador are foreign made, whether the weapons of the guerrillas or the weapons of the army, *because there is no arms industry at all in El Salvador.* The weapons both sides are using are being bought on the open and black markets, with the majority probably coming from Americans engaged in licit and illicit arms trafficking from Texas. Where did the guerrillas get their money to buy the arms? They have a "warchest" of between $50 and $200 million, which they acquired by kidnapping oligarchs and businessmen, holding them for ransom. . . .

Perhaps it is time to remember Haig's role of obfuscation and deceit in the Nixon administration. And perhaps it is time for REASON's editors to dig beneath the surface before jumping on a bandwagon with the slogan "The Russians Are Coming!" painted in big, red letters on its side.

Roy A. Childs, Jr.
Washington, D.C.

Mr. Poole replies: Reports appearing in print after our May issue went to press—in *Harper's,* the *Wall Street Journal,* and the *Washington Post*—have raised serious questions about the extent to which the captured documents support the State Department's conclusions about Soviet/Cuban involvement in supplying weapons to El Salvador. Mr. Childs's warning about believing government pronouncements is well taken.

Defense Trends

I am very impressed with your Trends column. In the June issue I read a succinct and rational appraisal of the MX missile and a suggestion of more practical and cost-effective alternatives. I had been wondering for some time how national defense could be sensibly handled in the 20th century; wondering if there was even a way to do it. I think you have answered that question for me and I thank you for making those ideas available to me.

I would very much like to see REASON print a major article on the subject of national defense, an article that would, among other things, critically examine such proposed weapon systems as MX, B-1 bomber. I would certainly benefit from such an article, and I'd be more able to convince people to oppose *costly,* ineffective weapons systems.

Again, I want to express my appreciation for your column; very valuable information.

Jeff Tower
Denver, CO

When Reagan Is Right

Murray Rothbard's diatribe (June) against President Reagan's economic plan is uncalled for. He advocates denouncing the Reagan program as "a fraud and a deception." This is not helpful to libertarianism, nor to administration efforts to change the economic attitudes of Congress.

Rothbard says "nothing is really going on. . . .there are no budget cuts; there is no tax cut." While it is true that the cuts are only cuts in the budget dollar increases proposed by the Carter administration, there *is* a budget cut in real terms. As Rothbard states, the Reagan proposal is to increase the federal budget next year by 6.1 percent. Since inflation is currently over 10 percent, the 6.1 percent increase *does* reduce the buying power of government, thereby limiting its growth and its ability to operate as it has in previous years.

The fact is that Reagan is doing as much as is possible given the political realities of congressional action. Ed Clark could not do more. A gradualist approach is appropriate, since public ideas must be changed before Congress will act.

Actually, Reagan rhetoric makes it easier for others to promote free-market ideas. We can demand that the administration stick to its professed goals of reducing government while not relaxing our call for much, much more reduction in regulations, taxes, and spending in all areas. Also, it is easier to point out inconsistencies, given the Reagan rhetoric, when they occur.

Meanwhile, we ought to give Reagan an "A" for effort. There hasn't been such a change in the mood of the nation for 40 years. I think we have a president who sincerely wants to reduce federal economic power.

Tonie Nathan
Eugene, OR

Gresham's Law

Irrespective of whether or not I agree with the letter from Thomas S. Booz (Mar.) on the gold standard, I must point out the gross error it contains. Say's law is *not* "Bad money drives out good." Say's law is "Supply creates its own demand." The quote attributed to Say is actually due to Sir Thomas Gresham, the English financier, and is appropriately called Gresham's law. . . .I have enjoyed reading your magazine but am puzzled over how this could have accidentally slipped through your usually careful editorship.

Thank you for your time and the continued pleasure your magazine brings.

D. B. Christenson
Claremont, CA

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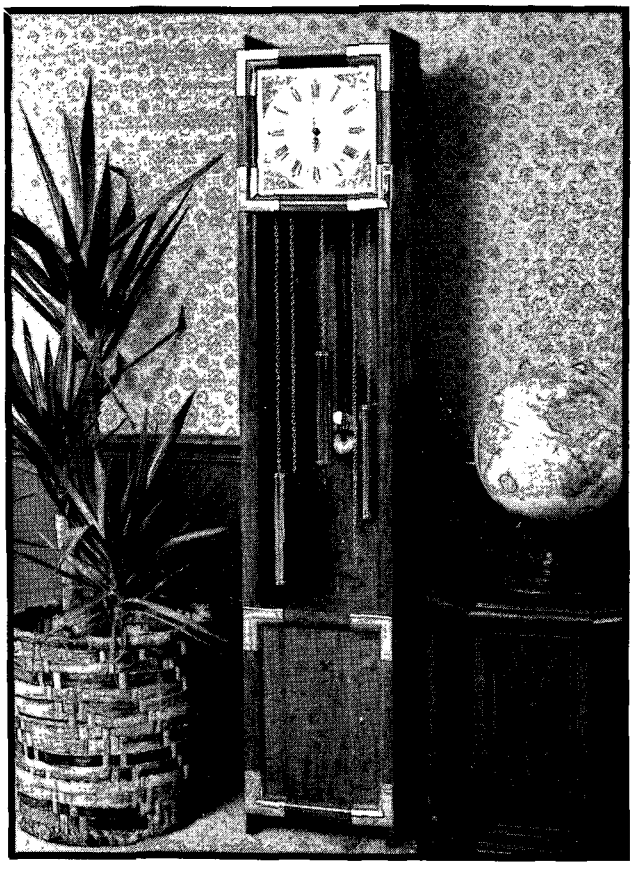

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